Daily Report

Latin America

FBIS-LAT-94-076
Wednesday
20 April 1994

Daily Report
Latin America

FBIS-LAT-94-076 *20 April 1994*

CONTENTS

NOTICE TO READERS: An Ω indicates a Foreign Media Note.

CARIBBEAN

Cuba

'Alleged Problem' With Castro; Hospital Taken Over *[Havana Radio]* 1
Further on Raul Castro Militiamen's Day Speech *[Havana TV]* 1
Raul Castro Attends Western Army Military Council *[Havana Radio]* 4
Commentary: Calm of Guantanamo Base U.S. Responsibility *[Havana Radio]* 4
Palmero Lauds Agricultural Feats of Havana Unit *[Havana Radio]* 5
Development Projects To Be Undertaken With Mexico *[Havana TV]* 5

Haiti

Political Groups Hold Sit-In at U.S. Embassy *[Port-au-Prince Radio]* 5
Monde Consults Chamber of Commerce on Crisis *[Port-au-Prince Radio]* 6
Le Borgne Mayor Reportedly Released After Arrest *[Port-au-Prince Radio]* 6
Public Transportation Fares Rise Over Fuel Costs *[Port-au-Prince Radio]* 6

MEXICO

Roundup of Economic Developments *[EL FINANCIERO 12 Apr, etc.]* 7

CENTRAL AMERICA

Costa Rica

Government To Insist U.S. Accept Extradition of Fugitive *[Hamburg DPA]* 8
Roundup of Economic Developments *[LA NACION 5 Apr, etc.]* 8

El Salvador

Deputy Foreign Minister on U.S. Visa Measure *[San Salvador TV]* 8
UCA Laments 'Irregularities' in Elections *[DIARIO LATINO 25 Mar]* 8
Roundup of Economic Developments *[San Salvador Radio, etc.]* 10

Guatemala

President's Letter Encourages U.S. Tourism *[PRENSA LIBRE 19 Apr]* 10
Workers Occupy Ministry, Hold Deputy Minister *[PRENSA LIBRE 19 Apr]* 10
Defense Minister Denies Military Coup Rumors *[NOTIMEX]* 11
Constitutionality Court President Takes Office *[PRENSA LIBRE 15 Apr]* 11
Roundup of Economic Developments *[NOTIMEX]* 11

Honduras

Officials Urge Review of Military Treaty With U.S. 12
President Urges Study of Issues *[LA TRIBUNA 19 Apr]* 12
Armed Forces Chief Terms Treaty 'Obsolete' *[Hamburg DPA]* 12
Armed Forces Consider Replacement *[ACAN]* 12
Foreign Minister Backs Review *[Hamburg DPA]* 12

Reina Calls Meeting To Review Treaty *[Tegucigalpa Radio]* 13
Congress Vice President on Treaty *[Tegucigalpa Radio]* 13
Commentary Questions U.S. Military Aid Treaty *[Tegucigalpa Radio]* 14

Nicaragua

3-80 Northern Front Contingent Demobilizes in Quilali *[LA PRENSA 16 Apr]* 15
Government Signs Letter of Intent With IMF *[NOTIMEX]* 16
Labor Unions Reject IMF Agreement *[BARRICADA 5 Apr]* 17
Ramirez on Party Leadership, 1996 Candidacy *[BARRICADA 11 Mar]* 17
Ramirez's Views on Violence Criticized *[EL NUEVO DIARIO 10 Mar]* 19
Ortega's Action Against Ramirez Supporters Discussed *[LA PRENSA 26 Mar]* 20
Miskito, Mestizo Land Conflict Reported *[LA PRENSA 25 Mar]* 20
Growth in Poultry Production Reported *[EL SEMANARTO 24 Mar-6 Apr]* 21

Panama

Foreign Minister: No U.S. Reply to Protest Note *[Panama City TV]* 21
Roundup of Economic Developments *[LA PRENSA 13 Apr, etc]* 21

SOUTH AMERICA

Argentina

Menem Interviewed on Patents Law, NAFTA, GATT *[CLARIN 17 Apr]* 22
Argentina, UK Agree on Need for U.S. Engineers To Clear Mines *[NOTICIAS ARGENTINAS]* .. 23
Navy Captures Four Korean Vessels Allegedly Fishing Illegally *[NOTICIAS ARGENTINAS]* 23
CGT Secretary General on Political Support, Style *[CLARIN 13 Mar]* 24
Correction to Radical Party, Labor Push Reform 25
Correction to Views Press Freedom, Monopolies 25

Bolivia

Vice President Promises 'More Aggressive' Anti-Drug Struggle *[HOY 6 Apr]* 25
Deputy Says DEA 'Will Have Problems' If It Exceeded Duties *[LA RAZON 8 Apr]* 26
Armed Forces Head Condemns Reports on 'Virtual Submission' to DEA
[LOS TIEMPOS 9 Apr] 26
President Admits Country's 'Major Dependency' on U.S., IMF, IDB *[PRESENCIA 9 Apr]* 27
Minister Interviewed on Former President's Phone Calls *[La Paz Radio]* 27

Brazil

U.S., Brazilian GATT Positions Examined *[GAZETA MERCANTIL 15 Apr]* 28
Franco 'Determined' To Revise Constitution *[Rio de Janeiro TV]* 29
Finance Minister Says Import Taxes To Decrease *[Brasilia Radio]* 29
Metalworkers' Strike Expected To Spread *[O ESTADO DE SAO PAULO 17 Apr]* 30
Privatization of Aeronautics Company Viewed *[ISTOE 13 Apr]* 30

Colombia

Alleged Medellin Cartel Member Voluntarily Surrenders *[AFP]* 33
Legislators View AD/M-19 Electoral Losses *[EL TIEMPO 20 Mar]* 33
Antonio Navarro Views Electoral Prospects *[EL TIEMPO 27 Mar]* 35
Ramirez Discusses Samper-De la Calle Ticket *[EL ESPECTADOR 23 Mar]* 36

Paraguay

Cuba's Robaina Discusses Progress, Castro *[NOTICIAS 17 Apr]* 37
Correction to 'Terrorist' Plans To Poison Beef 39

Peru

Shining Path Peace Agreement Disputes Viewed *[LA REPUBLICA 5 Apr]* 39
Reorganization, Trimming of DINCOTE Decried *[REPORTE ESPECIAL/DESCO Feb]* 41

Brazil

Government To Reorganize Foreign Service *[EL OBSERVADOR ECONOMICO 12 Apr]* 42
Lacalle's Meeting With Poland's Walesa Reported *[EL PAIS 9 Apr]* 43
Correction to Roundup of Economic Reports 43

Venezuala

President Caldera on Constitutional Amendments *[Caracas TV]* 43
Interior Minister Cited on National Security *[EL NACIONAL 13 Apr]* 44
Finance Adviser Explains Tax Reform Goals *[EL DIARIO DE CARACAS 25 Mar]* 44

Cuba

'Alleged Problem' With Castro; Hospital Taken Over

FL2004140494 Havana Radio Rebelde Network in Spanish 1155 GMT 20 Apr 94

[Telephone interview with Miami correspondent Marcos Castello by Maria Helena Alonso and Roberto Cavada on the "Doing Radio" program—live]

[Text] [Alonso] Good morning, Marcos.

[Castello] Good morning to all the workers of the "Doing Radio" program in Havana, particularly Cavada.

[Cavada] Good morning.

[Alonso] Today, Marcos is in high spirits because in a few hours he will be here in Havana. He has been invited to the conference "The Nation and the Emigre Community" scheduled to begin Friday at the Convention Center. What do you have to tell us?

[Castello] I will tell you about the forthcoming conference in Havana. Here, the media coverage continues to spiral faster and faster. Every television newscast and radio program is highlighting the conference "The Nation and the Emigre Community." As a matter of fact, there is an increasing number of features carrying the opinions of certain people adamantly opposed to the conference, people who get to delirious excesses, and describe the conference participants as a small group of unconditional, resentful, greedy, and privileged people who are trying, all of a sudden, to boost their standing to top class.

In order words, they are trying by every means to mar the legitimacy and importance to the process beginning this weekend in Havana.

Another interesting bit of news on the media today—also an evident symptom of the situation: The front page of THE NUEVO HERALD trumpets that this dialogue is creating discord in Havana and attributes to an unidentified source reports that there are even conflicts between the Cuban Foreign Ministry and the Ideological Department of the Communist Party of Cuba regarding the purpose of the conference, what ought to be goals, and how it ought to be carried out.

The climate reached an apex last night. There was a report—to call it something, perhaps more than it deserves—that there was an alleged problem with Cuban President Fidel Castro. It is being said that a hospital has been taken over. In other words, there is all manner of this sort of development common to any important event.

This situation is typical. There are many people here invited to the conference, and since Monday they have been departing for Havana in accordance with their means. The bulk of the delegation will travel tomorrow, at least those who reside in the United States, including me. Therefore, I will have a chance to greet you.

[Alonso] What can I say; we are accustomed to these issues being manipulated by the media abroad every time there is a meeting of this kind or any new event. We are very used to this. However, we are also aware that there are different opinions in this regard within the United States, and particularly Florida. It is very typical that this comes from the powerful people who have the means to manipulate the media and close to politicians. However, there are many others who want a rapprochement, family reunification, and all those issues to be discussed at the conference, and are very happy this event is taking place.

[Castello] I could add that the people committed to this type of attack—because there is a difference between expressing an opinion freely, everyone has the right to oppose or support the Havana conference, that is undebatable. However, the manner and attitude of this type of attack is precisely one of the things that moved the members of the Rio Group—Brazil, Venezuela, Colombia, Mexico, and Argentina—to express to U.S. Vice President Al Gore, the fear of holding in Miami, later this year, the hemispheric summit called for by President Bill Clinton. Precisely, in fear of the Cuban exiles and the way in which they express themselves, they are worried that that meeting which is to focus on continental economic and environmental problems, economic cooperation, etc., will be taken off track by the Cuban issue, once again, due to the actions of these Miami far right sectors.

Further on Raul Castro Militiamen's Day Speech

FL1904193694 Havana Cuba Vision Network in Spanish 0030 GMT 19 Apr 94

["Text" of speech by Army General Raul Castro Ruz, minister of the Revolutionary Armed Forces, commemorating Militiamen's Day and the 33d anniversary of the proclamation of the socialist nature of the Revolution; in Guantanamo on 16 April—recorded]

[Text] For many years we have observed in La Cabana Fortress in Havana the 16 April ceremony commemorating the proclamation—on the eve of the victorious Bay of Pigs struggle—of the socialist nature of our Revolution and Militiamen's Day.

Today, we want to observe this occasion at Mariana Grajales Revolution Square in Guantanamo, at the foot of the monument to the mother of the fatherland, an exemplary woman who wrote a unique epic for her people with her life and that of her sons, whom she fed with the milk of heroism.

What better square than this one, where Mariana calls on us to kneel and swear to defend the liberty of the fatherland or to die in the process, and where she orders us to stand and head for the rebel encampment, as she did with all her sons, even the youngest?

What better region than this, the heroic east, birthplace of our revolutions: Guantanamo Province, where there is no beach, path, valley, or mountain that does not deserve glorious mention in our national history?

For the glorious deed of the Mambi rebels in last century's three wars against the colonial yoke;

For the most tenacious and successful struggle by peasants for land at Realengo 18 [20 degrees 18 minutes north 75 degrees 27 minutes west];

For the solid support it gave to our guerrilla columns to found and expand the 2d Frank Pais Eastern Front by giving us their better sons, giving us ammunition and all sorts of supplies, surrounding us for nine months with their uncompromising support until the 1 January triumph;

For its contribution to the Bay of Pigs victory. Perhaps not enough has been said about the fact that the mercenaries sent to land on the coast of Baracoa to open a front to divert us from the main thust of the attack did not dare to set foot on Guantanamo soil where a people, in arms, alert, and committed to annihilate them, waited.

Faithful to their tradition of rising to the occasion in the face of danger and adversity, the people of Guantanamo, under government and party leadership headed by Comrade Juan Carlos Robinson, faced with courage, energy, and efficiency the devastating effects of the November floods. With the solidarity of the entire nation and the support of the state, they quietly made their repairs. Here, nature's catastrophe has served as an incentive to work rather than as an excuse for failing to meet production plans or defense tasks.

We are gathered here to promote 33 outstanding militiamen and reservists from this province who represent the 33 years that separate us from the heroic Bay of Pigs and who represent all those throughout the nation who are today receiving this well deserved reward.

We are also gathered here to hand over replicas of Maximo Gomez's glorious machete—as in previous years—to a group of writers, journalists, artists, and cultural institutions on behalf of the Revolutionary Armed Forces [FAR] in recognition of their significant contributions to strengthening the nation's combat capabilities and our people's patriotic and internationalist awareness.

It is a great satisfaction, in keeping with the Council of State decree, to reward the heroic fighters and civilian workers of the border guard brigade who, in fulfilling their duties, many times have risked their lives or been mutilated in the mine fields bordering the territory illegally occupied by the United States. On those who have fallen while carrying out this dangerous mission—First Lieutenant Arturo Ruiz Martinez and soldiers Raul Milanes Labrada, Roberto Navarro Hernandez, and Wilbert Vasquez Gamboa—today we posthumously confer the Antonio Maceo order.

They offered up their budding lives, these brave youths, worthy followers of soldiers Ramon Lopez Pena and Luis Ramirez Lopez, who decades ago lost their lives to treacherous bullets fired from the other side of the fence. The sacrifice of those who have been wounded or forever mutilated; the hard test of thousands of soldiers and officers who, throughout the 30 years of the existence of the border guard unit, have repeatedly guarded the fatherland, risking danger and suffering the pressures of the front line—all this is part of the high price we are forced to pay by the existence of that foreign military base on a portion of our soil.

We have said and reiterated, from the very triumph of the Revolution, that this base was imposed on the Cuban people by force, and we demand that it be dismantled and returned to Cuba. Its presence, in disregard of our people's manifest will and the requests of their legitimate government, violates every norm of international law. It is a brutal act of arrogance by the empire.

Today, from a military point of view, this base is obsolete and constitutes an unnecessary expense that must be borne by the U.S. taxpayer.

To reduce its uncontrollable military budget, the United States has closed dozens of military bases in the United States and abroad. Nevertheless, it maintains this one as a source of constant provocation against and for the humiliation of Cuba.

We will never relinquish our sovereign right to that part of our island, of our national territory.

We reiterate today what we said a little over a year ago in this same square: There is not one day on which we are not reminded that we have a dagger in our country's side, just a few kilometers south of where we are now standing. We have never lost the hope of someday removing this dagger in a peaceful and civilized manner in accordance with the principles of international law.

As everyone knows, our state's social system, as well as our military doctrine, dictates that we will never become the aggressor who fires the first shot.

Everything we do to strengthen our defense is precisely directed toward making any aggression against Cuba so costly as to make it a deterrent by making war prohibitively expensive and illogical and, at the same time, toward securing our people's peaceful and creative endeavors. For Cuba, avoiding war is equivalent to achieving victory.

As long as we fail to achieve the legitimate and unwavering aspiration of recovering the territory now occupied by this base, our position is to avoid incidents along the line of demarcation between this area and the rest of the island.

As we stated several weeks ago, last year and this: A climate of tranquillity has prevailed on both sides of the fence, and our goal is to continue doing everything we can to maintain this atmosphere.

This is the reason we have taken and will continue to take every measure required to prevent any foolish endeavor on the part of those who try to leave Cuba by this route.

To try to cross the densely mined field on both sides of the fence, attempting to evade our checkpoints and patrols, is madness and, at the same time, an act of provocation against Cuba's security.

Two armies are deployed face to face on either side of the fence. Given the United States' permanent hostility toward our nation and its illegal occupation of this part of Cuba, these two armies are not precisely friendly armies.

It is evident that such illegal departure attempts, the crossing of the demarcation line, could result in incidents of war of unpredictable consequences.

If it were the will of the U.S. Government, it would prevent those attempts, once and for all, by declaring that the illegal entry of Cubans wishing to emigrate to the United States will not be tolerated. It could also prevent the tragic deaths of those who drown in the Florida Straits in their attempts to reach U.S. shores on frail rafts or vessels by not welcoming as heroes the so- called raft people [balseros] or automatically giving them the residence status not extended to any other foreigner in the United States. However, we know U.S. immigration policy with regard to the Cuban people is to deny the majority of the visa requests presented to the U.S. Interests Section in Havana, in order to encourage those illegal and dangerous departures and thereby deliberately boost the smear campaign against Cuba. This policy is very contradictory when contrasted to that for Haitians in Caribbean waters, or Mexicans, or Central Americans at the Mexican border. It is so cynical as to be indefensible. Sooner or later, it will have to be changed.

We are opening our doors wider every day so that anyone who wants to try his luck in a capitalist regime can do so through normal and legal means. We have always believed, and the commander in chief has said many times in the last 30 years, that socialism is a social system that can be built only through voluntary efforts, with awareness.

Ours is, precisely, a system radically different and opposed to capitalism. Our creed is to eliminate the exploitation of men by men and to give men true liberty and human status. Therefore, for those who dislike socialism and prefer capitalism—in the belief that in that system, where men prey on men, they can gnash their way up and fulfill their personal ambitions—we are not blocking the departure of selfish persons, who think in that way, to any capitalist country of their choosing.

I have said that we will do everything in our power to maintain a situation of normalcy and calm at the line of demarcation. We will therefore prevent, by every possible means, attempts to leave Cuba through that dangerous military area.

In order to make this policy viable, the courts have begun strict implementation of our laws against those arrested for trying illegally to reach the naval base and who are therefore committing an extremely grave crime by endangering national security.

It is fitting to remember the nonpenal treatment issued by the authorities in most of these cases where the persons had no previous record, and the generous release that made it possible for some of them to try again.

We warn those who may try to emigrate by this means not to run the fatal mistake of choosing to do so. This carries not only the risk of a court trial, but also the more ominous risk of death or mutilation from a mine exploding on either side of the demarcation line.

With the same passion that with we request the return of that part of our territory occupied by the naval base, we are aware that the officers, noncommissioned officers, and soldiers who guard the border in rotation are not directly responsible for this usurpation of our sovereignty. We are not moved by any feelings of personal hate against those soldiers who have been sent by their government to fulfill such a disgraceful mission. Even less could we harbor any animosity against their families, spouses and children, who are part of the American population living on base.

If the United States were to unleash a war against Cuba, no matter under what pretext, we would wage a no-holds-barred fight against the enemy in whatever corner of Cuba they may be. The Guantanamo Naval Base would, of course, be no exception. In this territory, we have, as we said here last year, everything needed to neutralize this enemy enclave. [applause]

In this case, as long as the aggression does not originate in this region of Guantanamo and the lapsed time is not used to reinforce the naval base, we are willing to allow the necessary time to evacuate civilians—the spouses and children of the personnel stationed there—from the base.

The Mambi army and their worthy heirs, the rebel army, have never tainted their weapons by attacking women, children, the defenseless elderly. The FAR will not do this either, for it cherishes the military honor and humane traditions of its predecessors.

Our historic legacy is to fight fiercely for the independence of the fatherland, under highly disadvantageous conditions, against the enemy; to take their weapons; to respect prisoners of war; and to help injured prisoners.

As Marti said of Mariana Grajales: Was she not steadfast during the entire war, surrounded by her children? Did

she not encourage her compatriots to fight? And later treat the injured, Cuban or Spanish?

This is how Cuban revolutionaries from every period act.

We are proud that never, in Cuba, has a prisoner been tortured or mistreated; nor is there a single missing person, thousands of whom are still being sought by Latin American women and grandmothers.

Comrades, our people feel gratitude and admiration toward their brave sons, the members of the border guard unit. The FAR are proud of the valor, dedication, and discipline of this unit deployed on the front line.

By presenting the Antonio Maceo order today to Brigadier General Jose Solar Hernandez, who for over a decade led this region with exemplary dedication and efficiency, we render homage to his personal performance and work, the high level of readiness, and the high morale attained by the force of which the border guard is part.

This order is also granted to Major Jose Alvarez Beliz, chief of the engineer battalion, who on more that 20 occasions has entered the mine fields and whose most recent act of courage was the rescue of [soldier Elmis] Brooks [Chivas], where he was also injured.

Luckily, his injuries were not serious, and he was able to retrieve his injured comrade from the mine field.

By bestowing this order on Lieutenant Elmis Brooks Chivas, we are acknowledging not only his personal courage, demonstrated in many highly dangerous acts, but also the deep human sensitivity that moved him to risk his life, a plethora of virtues, to rescue the vacuous lives of a group of dumbbells, as generously described by comrade Elmis. With this award we are also exalting his decision to rejoin his beloved unit and the risky job of combat engineer. Young men like Brooks, who come from the most humble sectors of our people and are forged by the Revolution, strengthen our belief that the next generation is ready. [applause]

In addition to the Antonio Maceo order to which I have referred, the Calixto Garcia medal for valor is presented to 13 other comrades: several officers, noncommissioned officers, soldiers, and one FAR civilian worker. Most of them have been mutilated or injured. All of them have on numerous occasions performed heroic acts. Two-thirds of them are still in active military service in this brigade or other units.

To all the comrades awarded today: We reiterate our gratitude and most heartfelt congratulations on behalf of the FAR and relay to you a warm embrace and salute from the commander in chief. [applause]

To those who gave their lives for the fatherland and nurtured with their noble blood the undefeatable land defended by the Guantanamo forces, we dip our combat flags and swear before Mariana that we will be ever deserving followers of her example; and before her we shout, louder than ever: Viva Free Cuba! [Crowd: Viva!] [applause]

Raul Castro Attends Western Army Military Council

FL2004011294 Havana Radio Rebelde Network in Spanish 2300 GMT 19 Apr 94

[Text] Army General Raul Castro Ruz, second secretary of the Cuban Communist Party Central Committee, and defense minister of the Cuban Revolutionary Armed Forces, is attending work sessions of the special military council of the Eastern Army, which is analyzing the experience of this unit in using alternative energy sources.

This council is also discussing the efforts being made to save fuel, at the same time outlining directives to intensify the energy program in military units.

Commentary: Calm of Guantanamo Base U.S. Responsibility

PA2004033894 Havana Radio Havana Cuba in Spanish 0000 GMT 20 Apr 94

[Commentary by Miguel Angel de la Guardia; from the "Evening Information Review" newscast]

[Text] In the 35 years that have elapsed since the triumph of the Cuban revolution, the perimeter of the U.S. Naval Base on the Cuban bay of Guantanamo has been as a high tension cordon of fire. On numerous occasions, the U.S. troops deployed inside the base have staged serious acts of provocations aimed at creating a conflict that could justify a large-scale military attack against Cuba. On some of those incidents, U.S. soldiers, in an evident state of drunkenness or perhaps under the influence of hallucinogenic drugs, have hurled objects at Cuban soldiers deployed along that dangerous border, uttered vulgar insults, or staged pornographic scenes with prostitutes from the base brothels.

On other occasions, during times of crisis, they have fired at the Cuban side, once killing two young border soldiers, whom General Raul Castro remembered in his speech on 16 April. More recently, other incidents have been reported, with people trying to leave the country by crossing the mine fields located along both sides of the dividing line or by swimming across Guantanamo Bay in shark-infested waters mined by both sides.

During those incidents, some of those escaping have perished, giving the opportunity to news media which are enemies of Cuba to weave dark yarns that sparked irresponsible protests from the U.S. State Department, something which Cuba rejected, as it convincingly denied those false accusations.

In his 16 April speech, Raul Castro admitted that since President Bill Clinton has been in office there have not been the serious provocations that took place during the

years of greatest tension. He affirmed that should there be at any time a military clash with the United States which did not begin at the Guantanamo base, the Revolutionary Armed Forces of Cuba would expedite evacuation of the families of the soldiers of that enclave.

He also assured that Cuba will do everything within its power to preserve the climate of calm on both sides of the dividing line, which has prevailed in recent years. Raul Castro warned the Cuban security corps will try at all cost to keep citizens who want to migrate to the United States from using that venue.

The U.S. Government has been asked to take measures to discourage these actions. If the U.S. Government is truly interested in maintaining peace at Guantanamo Naval Base, which it is occupying against the Cuban people's will, it has the power to do so. Despite having suffered painful casualties due to the acts of provocation along the border, Cuban troops have never given any cause for concern to U.S. authorities or dishonored their discipline, which under such circumstances requires an extremely courageous and calm conduct. The responsibility to guarantee peace around the Guantanamo base falls, therefore, on the U.S. side, until that base is returned to the sovereign authority of the Republic of Cuba.

Palmero Lauds Agricultural Feats of Havana Unit

FL1904151794 Havana Radio Rebelde Network in Spanish 0900 GMT 19 Apr 94

[Text] On 18 April, Candido Palmero, member of the Politburo and first secretary of the Communist Party of Cuba in Havana, said that the province will harvest 2 million quintals of potatoes. During a farewell ceremony for the Giron de Victoria unit, Palmero praised the organization, discipline, and productivity of the unit which, in only 45 days of work, harvested approximately 700,000 quintals of potatoes and over 34,000 quintals of miscellaneous crops. The unit has some 2,000 military and civilian members. The Giron de Victoria unit planted approximately 30 caballerias of tubers and vegetables in addition to tending another 32 caballerias.

The Giron de Victoria unit also conducted outstanding social work in schools and small towns in the municipalities of Guines, Batabano, Melena del Sur, Guira de Melena, San Antonio de los Banos, Alquizar, and Quivican. At the farewell ceremony, several workers received the production and defense combatant medal and the status of outstanding in defense.

Development Projects To Be Undertaken With Mexico

FL1704204394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 16 Apr 94

[Text] The National Council of Science and Technology of Mexico and the State Committee for Economic Cooperation [CECE] of Cuba signed an agreement today in Havana which includes 20 cooperation projects in the scientific-technical spheres. The projects cover the agricultural-livestock, industrial, fishing, and food sectors and were signed by Dr. Fausto Alzati Araiza chief representative of the National Council of Science and Technology in Mexico, and by Ernesto Melendez, minister president of the CECE.

[Begin Alzati recording] We are seeking to establish specific research and development projects that are as close as possible to application. In other words, we are talking not about basic research but about projects that could soon materialize into economic benefits. [end recording]

Both sides said that this agreement is an initial phase that opens the door for scientific-technical cooperation between the two countries.

Haiti

Political Groups Hold Sit-In at U.S. Embassy

FL1904214594 Port-au-Prince Radio Metropole in French 1045 GMT 19 Apr 94

[Excerpts] A number of partisans from three people's organizations began a sit-in on 18 April in front of the U.S. Embassy in the Biscentenaire area. According to the authors of this action, the sit-in will continue until the embargo is lifted. The demonstrators, who intend to continue to the end, assert that they will be received on 19 April by Ambassador William Lacy Swing. They intend to obtain from the Clinton administration, through the U.S. diplomat, an end to the sanctions against Haiti. Jean-Max Blanc filed a report:

[Begin Blanc recording, in Creole] The Convergence of Mass Organizations, COM; the Haitian People's Alliance [Alliance Populaire Haitienne], APH; and the Haitian Front for Democratic and Nationalist Organizations [Front Haitien des Organisations Democratiques et Nationalistes], FODNH, began a demonstration on 18 April in front of the U.S. Embassy in Port-au-Prince to protest the embargo on the country.

Samuel Mirtil, APH leader; Roosevelt Frage, FODNH president; and Mondestin, Jr. for COM assert that their movement will continue until a solution is found to the embargo. According to them, this problem is ruining the Haitian people and Haiti. They assert that they are to meet with U.S. Ambassador William Lacy Swing regarding this issue. [passage omitted]

Embassy officials have not reacted to the demonstration, which the demonstration's leaders say is to avoid an explosion in the country. These same leaders have criticized those among the population who are taking advantage of the sanctions to get rich or richer. [passage omitted]

This is the first time Haitian citizens held a sit-in in front of the U.S. Embassy in Port-au-Prince to protest the

embargo since the crisis began in Haiti when the sanctions were imposed. [end recording]

Monde Consults Chamber of Commerce on Crisis

FL1904183994 Port-au-Prince Signal FM Radio in French 1030 GMT 19 Apr 94

[Text] On 18 April, within the scope of the parliamentary plan that has already received the support of the United States and the United Nations, Frantz Robert Monde, president of the Chamber of Deputies, began his consultations with employers in order to resolve the crisis. Both Monde and Max Villard, vice president of the Haitian Chamber of Commerce and Industry, deemed those talks very positive.

According to the president of the chamber, the two officials tackled the core of the problem: the executive vacuum and how to fill it. Villard renewed the employers' support for the parliamentary plan for the resolution of the crisis. This plan, which provides for the installation of a new prime minister after the retirement of General Raoul Cedras, but does not set a date for the return of Jean-Bertrand Aristide, has been rejected by the president-in-exile.

On 13 April, Monde criticized President Aristide for his stubborn refusal to appoint a new prime minister and announced that he wanted to initiate consultations on fill the executive vacuum. Deputy Monde labeled this meeting as fruitful, but refused to reveal the points discussed.

Le Borgne Mayor Reportedly Released After Arrest

FL1904192394 Port-au-Prince Signal FM Radio in French 1030 GMT 19 Apr 94

[Text] A correspondent working in the north of Haiti announced on 18 April the release of Le Borgne Mayor Belizaire Fils-Aime, who was arrested in connection with the armed attack against the police station there by armed individuals. The situation is very tense in Le Borgne and the arrival of military reinforcements coming from Cap-Haitien, Fort-Liberte, and even Gonaives was noted. No one can provide explanations of what actually happened because of the fear of the people living in Le Borgne. This area is listed among the main areas of tenseness since the events of 30 September 1991.

Public Transportation Fares Rise Over Fuel Costs

FL1904215894 Port-au-Prince Radio Metropole in French 1600 GMT 19 Apr 94

[Excerpts] Within a week, the fares for public transportation between Port-au-Prince and the outlying neighborhoods have gone sky-high. This increase in the cost of transport is the direct consequence of the increasing price of fuel. Jean-Max Blanc filed a report:

[Begin Blanc recording, in Creole] In the last week, the cost of public transportation has increased in the Haitian capital. A gallon of gasoline, which was $20 last week, cost $26 on 18 April on Boulevard La Saline. The retailers are asking $28 for this same gallon of gasoline. A gallon of gas oil costs slightly less, $24 in La Saline. Public drivers report that they pay $26 to $27 for it.

Therefore, two gourdes was suddenly added to the regular taxi fare. There are two kinds of drivers assuring transportation between Bourdon and Petionville, Petionville and Delmas, Port-au-Prince Cite Soleil and Port-au-Prince-Airport; Port-au-Prince and Carrefour. To go from Port-au-Prince to Carrefour is seven gourdes; the same with Petionville to Delmas; and Petionville to Christ-Roi.

The first category of drivers are those who do not demand seven gourdes from the passengers. According to them, the price still remains at five gourdes. The second category demands seven gourdes from the passengers. Those drivers explain that the high cost of gasoline causes them to increase the fares. [passage omitted]

For the other routes, such as for the buses to the airport, the cost is five gourdes instead of the 3.5 gourdes it was last week. The small buses going from Delmas to downtown cost the same as those going to Cite Soleil or other neighborhoods. However, the sector that seems to be most affected by the increase in the cost of public transportation is the students. Not only are buses scarce, but the fares are too high, according to a student who worries for the future of students in Haiti. [passage omitted]

Within a few months, the fare for public transportation has tripled. It is not impossible that in two months a parent will have to give 30 gourdes [$6] to his child for public transportation.

Meanwhile, factory workers are also facing misfortune. The fare they pay for transport is almost equal to the money they earn in a day. [end recording]

Roundup of Economic Developments

PA2004014694

[Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 19 April.

In the past three years, revenues earned by the privatization of nonstrategic public organizations totaled $21.8 billion pesos, the equivalent of 8.88 percent of international reserves. Foreign investment for the past four years totaled 77.7 percent of the international resources the country obtained. (Mexico City EL FINANCIERO in Spanish 12 Apr 94 p 3A)

The Chiapas government spent approximately 30 million pesos in the first quarter of 1994 to buy 10,000 hectares of arable land from ranchers and small landholders in an attempt to alleviate the conflicts prompted by the excessive demand for land. (Mexico City LA JORNADA in Spanish 12 Apr 94 p 3)

The flow of foreign investment in Mexico in March was 50 percent less than the investment levels obtained in January and February, months during which investment totaled approximately $1 billion. According to officials of the Commerce and Industrial Development Secretariat, this decline resulted from recent political events. (Mexico City UNOMASUNO in Spanish 13 Apr 94 p 17)

Mexico signed two credit agreements with the international financial community on 11 April. The first agreement, totaling $30 million, was signed with the Spanish Government; the second one, for $169 million, was signed with the Inter-American Development Bank. The loans will be assigned to infrastructure and education projects. (Mexico City UNOMASUNO in Spanish 13 Apr 94 p 18)

According to Alberto Marin, Northern Chiapas Cattle Union president, the livestock sector has suffered a loss of approximately 300 million pesos, particularly in such areas as the highlands, the jungle, and the north, as a result of multiple peasant invasions. Marin has said the government's buying of lands has prompted the invasions to continue. (Mexico City UNOMASUNO in Spanish 13 Apr 94 p 9)

The Foreign Trade Secretariat has revealed that $5 billion were reportedly invested in Mexico during the first quarter of 1994. This amount is a 150-percent increase over foreign investment earned during the same period in 1993. (Mexico City NOTIMEX in Spanish 1453 GMT 13 Apr 94)

The National Bank of Mexico-Accival Financial Group has said in order to achieve the expected level of economic growth and employ the available labor force, Mexico will need at least $25 billion in foreign aid in 1994 due to an insufficient rate of savings, which ranks below 10 percent. The bank's experts have said in the past two years more than 70 percent of foreign investment was in stocks. (Mexico City EL FINANCIERO in Spanish 14 Apr 94 p 7)

Mexican and Taiwanese businessmen have earmarked $7.5 million to start a pioneering industrial project in Fresnillo, Zacatecas, where shoes will be made for export to the United States and Canada. (Mexico City NOTIMEX in Spanish 2043 GMT 15 Apr 94)

The National Foreign Trade Bank has placed on the international markets the lowest-priced issue of bonds in the past 12 years for the amount of $250 million. Foreign investors' purchase of these bonds will inject security and stability into the Mexican economy. (Mexico City UNOMASUNO in Spanish 15 Apr 94 p 16)

Mexico and New Zealand have signed an agreement to strengthen ties in trade and investment and to grant the agricultural sector easier access to both countries' markets. (Mexico City EL FINANCIERO in Spanish 15 Apr 94 p 21)

An EL FINANCIERO study indicates interest payments on the foreign debt in the private sector will increase by $100 million in addition to the estimated $2.1-billion debt pending for 1994. This increase results from a rise in international interest rates and an 8.5-percent devaluation of the peso vis-a-vis the U.S. dollar in recent weeks. Data provided by the Bank of Mexico, the Mexican Stock Market, and local and foreign experts show the leading Mexican companies, total of 36, incurred substantial foreign debts. (Mexico City EL FINANCIERO in Spanish 15 Apr 94 pp 1, 4, 5)

The Finance Secretariat has said Mexican exports during February reached $4.4 billion, a 17.4-percent increase compared with February 1993. According to a Finance Secretariat communique, nonpetroleum exports increased by 23.7 percent. (Mexico City NOTIMEX in Spanish 1516 GMT 16 Apr 94)

High-ranking government officials have confirmed that thus far, $980.7 million from the Contingency Fund have been allocated to support the Mexican peso in the exchange market. The Finance Secretariat has said the $6 billion granted by the United States to counter any pressure to devalue the peso are still available. (Mexico City UNOMASUNO in Spanish 18 Apr 94 p 16)

According to the Bank of Mexico, its foreign indebtedness increased by 115 percent from 1989 to this date and currently totals approximately $21 billion. In addition, banks' foreign indebtedness represents 51.2 percent of the total debt contracted by the public sector abroad and equals 17.6 percent of Mexico's total foreign indebtedness. (Mexico City LA JORNADA in Spanish 18 Apr pp 64, 54)

Mexican Petroleum has earned $482 million in revenues for Mexico by selling an average of 1.3 million barrels of crude per day to its clients in America, Europe, and Asia. The United States, 72.3 percent, Spain, 14.1 percent, and Asia, 14.4 percent, were Mexico's leading clients during January. (Mexico City NOTIMEX in Spanish 0119 GMT 19 Apr 94)

Costa Rica

Government To Insist U.S. Accept Extradition of Fugitive

PA1904223894 Hamburg DPA in Spanish 2022 GMT 19 Apr 94

[Text] San Jose, 19 Apr (DPA)—Costa Rica will insist the U.S. Government accept the extradition of John Hull, a fugitive from local justice. Hull was charged with involvement in "hostile actions," allegedly drug trafficking, and a bloody attack in which several journalists were killed in 1984.

President Rafael Angel Calderon made these statements after learning of a news report from Managua stating the U.S. citizen has been in Nicaragua for two months.

The U.S. citizen is also facing charges of alleged homicide [homicidio calificado] and attempted homicide.

According to Costa Rican political sectors, Hull, who owns a farm in northern Costa Rica, near Nicaragua, was reportedly involved in the La Penca attack 10 years ago, in which several journalists and guerrillas of the anti-Sandinist group, then led by Eden Pastora, were killed.

Hull has denied the charges, saying he is a victim of "communists."

Hull fled Costa Rica five years ago after police arrested him.

Roundup of Economic Developments

PA1904190494

[Editorial Report] The following is a compilation of reports on Costa Rican economic developments monitored through 19 April.

According to figures of the Central Bank and the General Directorate of Statistics and Census, the country registered a $173.5 million trade deficit in the first three months of 1994. Although this was nearly $100 million less than in the same period in 1993 when the trade deficit reached $273.1 million, some economists view this as a bad sign because of the need to finance the growing rate of imports. Nevertheless, Central Bank President Jorge Corrals said net international reserves amounted to $435.7 million on 24 March 1994, adding that they are enough to finance five months of imports. (San Jose LA NACION in Spanish 5 Apr 94 p 29A)

The Foreign Trade Ministry reported on 18 April that banana exports dropped 13 percent in the first quarter of 1994, although they continue to be the country's second source of foreign exchange after tourism. The country sold $109 million worth of bananas, while $162 million was earned from tourism. Tourism revenue increased 29 percent compared to the same period in 1993. Total exports increased to $684 million in the first quarter. (Panama City ACAN in Spanish 2325 GMT 18 Apr 94)

El Salvador

Deputy Foreign Minister on U.S. Visa Measure

PA1904213494 San Salvador TCS Television Network in Spanish 1200 GMT 13 Apr 94

[From the "TCS News" program]

[Text] The U.S. Government announced last week that Salvadorans were excluded from the list of preferences to obtain U.S. resident visas. The Foreign Ministry has explained what this measure means:

[Begin Deputy Foreign Minister Rafael Alfaro recording] El Salvador was not excluded due to a lack of preference or as a political measure against the country. This was a measure to provide an opportunity to countries that have a lower number of immigrants in the United States. [end recording]

This decision does not in any way affect the treatment Salvadorans receive in the United States.

[Begin Alfaro recording] This does not mean any delay, because there is the [word indistinct] program, which grants Salvadorans the possibility of working while it is in effect. It was previously known as the [word indistinct]. In this case, I think this is directed more toward citizens of countries of Eastern Europe, Africa, or other continents. [end recording]

The deputy foreign minister also announced the creation of a tourist card for U.S. citizens who want to visit the country.

[Begin Alfaro recording] This will benefit the country not only concerning immigration, but it will also help tourism. This will enable anyone to buy a tourist card with dollars. [end recording]

The card might cost $10 and will be sold at travel agencies and U.S. airports. It is hoped it will become effective before the end of President Cristiani's term.

UCA Laments 'Irregularities' in Elections

94CA0101A San Salvador DIARIO LATINO in Spanish 25 Mar 94 p 14

[Commentary by UCA (Central American University): "The Fiasco of the Century"]

[Text] The 20 March elections, which naive optimists considered of such great importance that they called them the elections of the century, turned into a great fiasco. The number and gravity of the election irregularities make it difficult to speak of free and clean elections. The dignity of the Salvadoran people has once again been disregarded by the officials in charge of the process.

While the political parties, the magistrates of the Supreme Electoral Tribunal, and President Cristiani himself insistently yet pleasantly urged the people to vote in these elections, many citizens lost patience after

having to wait for over two hours to enter their polling place. A still unknown number, despite having a voter registration card, were unable to vote either because they were not listed in the registry or because the information on their registration card did not agree with the registry data, or even worse, because someone else had voted in their place earlier. In large cities, where there were few voting centers and they were organized alphabetically, forcing people to travel for considerable distances, the citizens' efforts to vote were impeded by lack of transportation; a similar situation prevailed in rural areas for the same reason. Polling places opened late because of the inefficiency and disorganization of the boards of election officials that were to receive votes; at 1700, people still waiting in line to vote were turned away from some polling places, disregarding the instructions that had been given. Throughout the course of the day, the election boards demonstrated a lack of preparation and experience in controlling voting procedures, and the vote counting and preparation of the official election returns were slow and complicated. After 2200, the Supreme Electoral Tribunal, despite having preliminary results from almost the entire country in its possession, began to read these return documents in a very unprofessional manner, amidst accusations from the opposition about impeding the presence of its representatives in the vote computation center.

In the end, the blind were able to vote, but it is clear that all this expensive and inefficient election machinery is designed for a citizenry whose literacy level by far outstrips El Salvador's. In fact, with an officially acknowledged illiteracy rate of 45 percent, not including functional illiterates, it is practically impossible for an average Salvadoran to find his name in the registry and identify the right table, or one who can clearly identify the destination of each part of the ballot and his party choice, as well as sign the electoral registry.

In a word, the Supreme Electoral Tribunal prevented a good number of citizens from voting. But in the end, it was the political parties themselves that were responsible for this fiasco, as this tribunal is in their hands. So the Supreme Electoral Tribunal demonstrated the inefficiency and lack of responsibility of the political parties. It is a good thing that they conducted voting tests; what might have happened if the system had not been tested!

The first results revealed a high rate of abstentions: 47 percent of the citizens did not vote. That was due in part to obstacles the citizens encountered when trying to vote; it was also partly due to the fact that 400,000 citizens were listed in the registry whose names should not have been there, and that 150,000 did not remove their voter identification card, but it was also caused by the citizens' lack of interest, apathy, and lack of confidence in the electoral process. Many did not want to be deceived once again and decided to stay home. In 1989, Cristiani won with an abstention rate of a little over 50 percent. This time the abstention rate might be a little lower, but in any case the massive voter turnout that the politicians had hoped for still did not materialize. It should not be hard to determine how many citizens were not allowed to vote, and how many did not want to vote. So the civic festival the politicians were expecting was tarnished by the low turnout of the invited guests.

The fiasco of the FMLN [Farabundo Marti National Liberation Front] is also evident. It trusted that what were called the rules of the game were going to be respected, without paying proper attention to the context in which the electoral process was taking place. It is interesting to compare its optimistic statements on Sunday morning with its critical attacks issued that night, when it was faced with the harsh reality. In the morning it had allowed itself to be deluded by the number and appearance of the crowds who were going to the polls, disregarding the warnings that we in PROCESO and ECA had been making on the limited historic scope of these elections as well as on their restricted freedom and their dubious transparency. The FMLN had been forewarned, but the illusion of political power counted for more. What appeared impossible actually happened. That is how the hard lessons of history are learned, lessons that are never forgotten.

The preliminary election results indicate that the citizens did not give the party now in office the votes it needed to win the presidency in the first round or a comfortable majority in the legislative assembly. So the official party has been dealt an unpleasant surprise; the triumph it had expected slipped out of its hands. Its performance in office does not enjoy absolute support from the citizens, nor are its facile promises extremely credible. Cristiani was also hoping for a massive approval of his record in office, to the point of thinking that even the impunity which human rights violators have enjoyed during his presidency was going to be approved at the ballot boxes.

ARENA [Nationalist Republican Alliance] undoubtedly does have considerable support, but this support is not sufficient to win the presidency in the first round and obtain a majority of the deputies. ARENA's dominant position has now been abolished. This is good for EL Salvador since, despite its short time in office, this party's officials and members already consider themselves the lords and masters of the government.

The coalition of the left won an honorable second place, but not enough to challenge the ruling party on an equal footing. Of course, it has become the country's second political force, but it still has much to learn and improve if it is to maintain that second place and move toward the presidency. One clear consequence shown by the election results is the need to strengthen the coalition internally. Even as the opposition, it is essential that it be strong and coherent.

Christian Democracy continues to lose votes in relation to its performance in past elections, and now occupies a rather uncomfortable third place, as the IUDOP [University Public Opinion Institute of the Jose Simeon Canas Central American University] polls had already predicted. The polarization of the elections and its

internal leadership crisis led to Christian Democracy's collapse. If this party wants to remain in the national political scene, it has to renew its leadership, as it is doing very poorly when its candidate for mayor of San Salvador wins a higher proportion of votes than its candidate for the presidency of the entire nation.

There seemed to be no surprises in the smaller parties, despite the religious pressures of some ministers who had urged their congregations to vote for one of them. Therefore, the 20 March elections confirmed the objectivity and professionalism of the IUDOP polls. The politicians who so frequently challenged them during the campaign should now, in a spirit of ethics and honesty in relation to reality, publicly admit that these polls were on the right track.

The results of the elections should not be allowed to overshadow the existence of grave irregularities, many of them caused by the scandalous shortcomings of the Supreme Electoral Tribunal and of the state apparatus as a whole. Independently of whether or not the election results are favorable or unfavorable to a specific party, the electoral system needs to be totally revised and its failings corrected. It does a severe disservice to the democratization of the nation when it is simply said that the elections took place normally and the results are acceptable, for those statements tend to cover up the electoral system's antidemocratic defects.

The 20 March elections exposed with crystal clarity, for anyone willing to see the facts, just how far the democratization process in El Salvador is from its goal. What happened should be analyzed in relation to the situation of noncompliance with the peace accords. It is appropriate to demand a cleaner second round, but it is not very realistic to think that in two weeks the political parties are going to correct what they did not do in two years. So it will be hard for the second round to be any different from the first. Still, not everything is negative; at least there is now awareness of the electoral system's structural defects.

We sincerely hope that the illusion of power does not again blind the political parties, particularly those who only protest when the results are unfavorable to them. The 1994 elections could become a first step toward strengthening the democratization process if measures needed to begin to reform the electoral system are adopted.

Roundup of Economic Developments

PA1904192794

[Editorial Report] The following is a compilation of reports on El Salvadoran economic developments monitored through 19 April.

In 1993, the Inter-American Development Bank, IDB, approved $109 million in loans to El Salvador. According to an official spokesperson, this money was used for social projects and infrastructure plans coordinated by various government offices. (San Salvador Radio Cadena YSU in Spanish 1800 GMT 14 Apr 94)

The Central Bank has reported that in the first three months of 1994 Salvadoran families received $223.2 million from family members living abroad. According to the bank, the Salvadoran economy was kept afloat throughout the civil war years by money Salvadorans living abroad sent their family members. (Paris AFP in Spanish 1903 GMT 18 Apr 94)

The local press has reported that Japan has approved a $99 million loan to El Salvador to rebuild bridges destroyed during the 12 years of civil war. (Mexico City NOTIMEX in Spanish 2020 GMT 18 Apr 94)

Guatemala

President's Letter Encourages U.S. Tourism

PA1904225C94 Guatemala City PRENSA LIBRE in Spanish 19 Apr 94 p 68

[Text] Guatemalan President Ramiro de Leon Carpio has sent a letter to U.S. Secretary of State Warren Christopher to promote the visit of U.S. tourists to Guatemala, saying the recent acts of violence against two U.S. citizens were "isolated incidents."

Due to those acts of violence, the U.S. Government has issued a travel warning [previous two words in English] advising travelers not to visit Guatemala or to postpone their trips to that country, except for emergency purposes.

Consequently, the important flow of U.S. tourists has dropped considerably, and hotels, travel agencies, and other tourist-related services have reported losses and have demanded stronger actions by the police.

In his letter to Christopher, de Leon expressed regret over and condemned the events and ensured the courts will "act strongly against the culprits who have already been arrested."

Workers Occupy Ministry, Hold Deputy Minister

PA1904233594 Guatemala City PRENSA LIBRE in Spanish 19 Apr 94 p 8

[Text] Workers of the Urban and Rural Development Ministry occupied ministry installations yesterday and held hostage the deputy minister, who is the current acting minister. The action followed the dismissal of 888 workers as ordered by Government Agreement 152-94, which reorganizes the portfolio, reducing it to three directorates.

Acting Minister Gustavo Cheng Becker advised the ministry's union leaders of the cutbacks yesterday morning. Union representatives rejected the order and initiated a protest by occupying the ministry buildings, taking hostage the acting minister and two Finance

l inistry representatives. The two ministry officials left the building later that evening.

Mefi Rodriguez and Maritza Palencia, on behalf of the Finance Ministry, agreed the government would pay compensation and other such benefits provided by the law.

Acting Minister Cheng Becker explained President Ramiro de Leon Carpio reached the decision based on the Government Agenda he made public on 15 August. It was then when he decided on the urgent need for administrative reorganization.

Cheng said this government agency will now function as a Superior Directorate, a General Services and Internal Administration Directorate, and a Rural and Urban Development Directorate. The payroll will now have 22 people.

The restructuring led to the deletion of certain positions which, according to technical assessments, were not needed to carry out the work described by its law and regulations. The affected positions were listed in Government Agreement 152-94, he said.

Defense Minister Denies Military Coup Rumors

PA2004041894 Mexico City NOTIMEX in Spanish 0135 GMT 20 Apr 94

[Text] Guatemala City, 19 Apr (NOTIMEX)—Guatemalan Defense Minister General Mario Rene Enriquez today denied reports two military bases had attempted to overthrow President Ramiro de Leon Carpio.

The military chief told NOTIMEX via telephone the country is calm, although he admitted there are sectors, which he did not identify, interested in destabilizing Guatemala, as part of a strategy to affect de Leon' government.

Various sources reported this afternoon a group of officers discontent with the country's political situation had tried to overthrow the former human rights ombudsman, who took power on 6 June 1993.

De Leon, who replaced deposed President Jorge Serrano Elias, has faced over the past months a severe political and economic crisis, heightened by the violence which claimed the life of Constitutionality Court President Epaminondas Gonzalez.

Gonzalez, who declared as "unconstitutional" Serrano Elias's decision to assume extraordinary powers last 25 May, was gunned down on 1 April, dying the following day in a local hospital.

The defense minister termed as false rumors of an armed uprising within the military ranks, because "Guatemala is on its last leg toward peace."

"I have contacted some of the 22 military zones in Guatemala and have confirmed there is no attempted coup d'etat," he added.

"We have confidence and faith in the president, because he is doing things well, and, although his government is temporary, he will set down irreversible bases for lasting peace in this country," Enriquez added.

Constitutionality Court President Takes Office

PA1904192694 Guatemala City PRENSA LIBRE in Spanish 15 Apr 94 p 87

[Text] Gabriel Larios Ochaita took office as Constitutionality Court (CC) president in a ceremony at the court's hearing room at 1900 last night.

The ceremony began with the singing of the national anthem followed by a minute of silence in memory of Epaminondas Gonzalez Dubon who was CC president until Good Friday [1 April), when he was assassinated.

In his speech, President Ramiro de Leon Carpio said his mind and heart were filled with two conflicting feelings regarding memories of Gonzalez: The first memory is his participation as president of the Commission of 30, which drafted the Constitution, and his role as alternate president of the National Constituent Assembly, which issued the current Constitution; and the second memory is his regrettable and painful death.

Roundup of Economic Developments

PA2004001594

[Editorial Report] The following is a compilation of reports on Guatemalan economic developments monitored through 19 April.

The Guatemalan Government acknowledged today the difficulty in meeting its commitment with the IMF to increase taxes from 8 to 10 percent, in relation to the gross domestic product (GDP). The finance minister admitted that in the first quarter tax revenues reached only 7.3 percent in relation to the GDP due to tax evasion. In addition, the finance minister reported the president had outlined a draft bill on tax reform, which could be approved shortly. (Mexico City NOTIMEX in Spanish 0036 GMT 14 April 94)

Tourism, the second largest grosser of foreign exchange, following coffee, will not reap $100 million this year due to the wave of violence unleashed in the country. Sources in the tourism sector have reported more than 45 percent of the trips by U.S. and European tourists have been canceled. The same source has said Guatemala cannot compete with Mexico and Costa Rica if they buttress their promotions with political stability while the state here persists in a permanent dispute and while there is no end to the war. (Mexico City NOTIMEX in Spanish 1939 GMT 14 April 94)

Guatemalan inflation reached 3.7 percent in the first quarter of 1994 after a rise in the consumer price index in January of 2.14- percent, .95 percent in February, and .58 percent in March. The National Institute of Statistics has reported an increase in food and beverages prices of 3.53 percent; housing costs, 3.15 percent, health services, 3.9 percent; and home furnishings, 3.24 percent. (Mexico City NOTIMEX in Spanish 0001 GMT 19 April 94)

Honduras

Officials Urge Review of Military Treaty With U.S.

President Urges Study of Issues

PA1904195794 Tegucigalpa LA TRIBUNA in Spanish 19 Apr 94 p 10

[Excerpts] The Honduran Armed Forces want to break the Military Assistance Treaty signed in 1954 with the U.S. Government because they believe the treaty is obsolete and is no longer of any benefit to the nation.

The above was reported by CNN international, which also said that the presence of U.S. troops in Latin America continues to cause problems for some nations of the region. [passage omitted]

When questioned about the issue, President Carlos Roberto Reina commented: "We should study the issue and see if this installation can benefit Honduras and our new agenda."

To end the treaty, the CNN report concluded, is the prerogative of the president. Meanwhile, the Armed Forces are trying to obtain the support of civilians to achieve their goal.

Armed Forces Chief Terms Treaty 'Obsolete'

PA1904182794 Hamburg DPA in Spanish 1614 GMT 19 Apr 94

[Text] Tegucigalpa, 19 Apr (DPA)—General Luis Alonso Discua, commander-in-chief of the Honduran Armed Forces, confirmed today that the Armed Forces want to break the military assistance treaty with the United States because they consider it obsolete and, according to military leaders, it does not benefit the country.

Gen. Discua said the Armed Forces will attempt to submit the treaty for review by the Honduran Congress Defense Committee.

The United States signed a military assistance treaty with Honduras in 1954 and, according to Discua, it currently benefits the United States.

Discua referred specifically to the U.S. military base at Palmerola in the central department (province) of Comayagua, noting that it is important to examine whether it is appropriate to keep the base open in Honduras.

U.S. assistance to Honduras has been reduced drastically in the past year, and according to Discua, U.S. assistance is conditional upon various situations and even includes sanctions.

Armed Forces Consider Replacement

PA1904185394 Panama City ACAN in Spanish 1749 GMT 19 Apr 94

[Excerpt] Tegucigalpa, 19 Mar [date as published] (ACAN-EFE)—The Armed Forces are considering replacing the military agreement Honduras signed with the United States in 1954. This would be the end of the long "honeymoon" that reached its peak during the war waged by the "contras" against the Sandinist regime in Nicaragua.

It was also reported in Tegucigalpa that Armed Forces Chief General Luis Alonso Discua said on a U.S. television network that the current agreement "includes certain rules that are out of date because the treaty was signed in 1954."

Official Honduran sources and the U.S. Embassy in this capital declined to make any statements to ACAN-EFE but promised to do so "in the next few hours." Meanwhile, the Presidency announced an upcoming meeting of the Security Council.

The Legislative Assembly already knows about the Armed Forces position. Vice President Rafael Pineda Ponce said today that it includes "professional, analytical, and thoughtful" proposals.

Honduran military personnel have initiated efforts to modify the Military Assistance Treaty because it is obsolete and currently benefits only Washington in allowing it to exert pressure on the Central American nation, local commentators said.

These sources did not rule out the possibility that the military will try to capitalize on the fact that the United States will leave the Panama Canal in the year 2000, thus making Honduras the sole military base in Central America.

Political and humanitarian group leaders, however, criticized the military initiative today, saying that Honduras's foreign policy should be set by civilian rather than military powers. [passage omitted]

Foreign Minister Backs Review

PA1904183494 Hamburg DPA in Spanish 1744 GMT 19 Apr 94

[Text] Tegucigalpa, 19 Apr (DPA)—Honduran Foreign Minister Ernesto Paz Aguilar today said that Palmerola, the U.S. base in central Honduras, makes no sense. The Honduran foreign minister also expressed his support

for a review of the military treaty that Honduras and the United States signed in 1954.

Paz Aguilar said it is necessary to review this treaty, adding that in the specific case of the U.S. Palmerola Air Force Base, it makes no sense for it to be used as a military platform when it should be used as a center to fight drug trafficking.

"Central America and the Caribbean will continue to be areas of interest to the United States, and we must take as much advantage as we can of this fact," the foreign minister said. Paz Aguilar said many agree that conditions are appropriate for Honduras to begin a new relationship with the United States. The foreign minister added that U.S. aid to Honduras can be used to combat drug trafficking and the smuggling of illegal aliens.

Foreign Minister Paz Aguilar said Honduras, through its authorities, will ask the Honduran Congress to review the treaty. The Honduran Armed Forces today said Honduras should break the military treaty with the United States because the treaty is obsolete and yields no benefits to Honduras.

Reina Calls Meeting To Review Treaty

PA2004022094 Tegucigalpa Voz de Honduras Network in Spanish 0143 GMT 20 Apr 94

[Text] President Carlos Roberto Reina has invited the National Security Council to a meeting to review the Military Assistance Treaty with the United States, Congress Vice President Jorge Arturo Reina reported today. He commented on today's news reporting the Honduran Armed Forces are seeking to denounce the Military Assistance Treaty signed in 1954 with the U.S. Government.

Treaties must be viewed in light of current circumstances to assess whether they favor the country's best interests, Reina explained. The congressman also said the idea that Palmerola be turned into a base against drug trafficking instead of a military base has been proposed, adding the U.S. has maintained the symbolic presence of troops, something which was only significant during the Cold War.

According to Reina, [words indistinct] totally the symbolic presence of the United States and would allow these installations to be used to fight drug trafficking in the country.

Congress Vice President on Treaty

PA1904200594 Tegucigalpa Voz de Honduras Network in Spanish 1630 GMT 19 Apr 94

[Report by Lourdes Bonilla and Roberto Reyes at the Government House in Tegucigalpa—live relay]

[Text] [Bonilla] Dr. Jorge Arturo Reina, who is the vice president of the Congress and brother of President Carlos Roberto Reina, has confirmed the report this station released a few minutes ago from the Government House. That report noted that within the next few hours the National Security Council will discuss the Honduran Armed Forces' plan to break the Military Assistance Treaty with the United States—a treaty that dates back to 1954. Reporter Roberto Reyes has more details on this.

[Reyes] Dr. Jorge Arturo Reina specifically noted that the legislative and executive branches today intend to review the Military Assistance Treaty between the United States and Honduras. Here is what he said when asked about this topic:

[Begin recording] [Unidentified reporter, in progress]...on what is a review of the Military Assistance Treaty with the United States?

[Reina] No, the meeting we attended did not deal with that issue. At this time, we are coming from a meeting the president held with the deputies from Francisco Morazan Department, but we did not touch on this topic.

[Reporter] Will there be a National Security Council meeting to review this topic?

[Reina] I think the president has proposed the advisability of a National Security Council meeting, but not only for that purpose, but also to address the problem of violence in an effort to get an overall view of this problem and a joint decision from all sectors of society [words indistinct].

[Reporter] When will this meeting be held?

[Reina] I do not know. That will be announced by the president.

[Reporter] Do you agree with the [words indistinct] of the Armed Forces about the U.S.-Honduran military agreement?

[Second unidentified reporter] Will [words indistinct] to citizens of the country?

[Reina] Well, I have seen how the world has changed. A few years ago, we proposed the advisability of (?reviewing) treaties. At that time, that was a taboo subject. Now it is prudent for Honduras to review any and all treaties to determine whether they are providing benefits and whether they are consistent with the nation's sovereignty. Nevertheless, I do not think we should portray this as a serious problem, because conditions exist for reviewing every international relationship, and, if the countries agree, they can discuss such topics.

[Reporter] What about the situation that arose today in Congress because of the questioning of the ENEE [National Enterprise for Electric Power] manager? What is the goal of Congress in this?

[Reina] I think that in all of these cases—in both the invitation Congress extended to the ENEE, as well as to Cohdefor [Honduran Corporation for Forest Development]—there is no other goal but to have them explain to

the Honduran people how difficult it is to resolve the country's extremely serious problems.

[Reporter] Now that you are in government, can you guarantee to the Honduran people that you are going to review the treaties and do what you always said you would do—things you said you would do even before you were a university leader and [words indistinct]?

[Reina] Well, we continue to maintain the same unwavering position. That has never changed. World conditions have changed, however. In terms of the U.S. Palmerola base, to which I assume you are referring, it has been proposed that it be turned into a base for combating drug trafficking instead of a military base in the old sense of the word—the kind of base that has traditionally existed in Latin American countries.

[Reporter] Congress has had a commission discussing this. At least Mr. Rafael Pineda Ponce spoke about this in a report we aired.

[Reina] That is correct. We think treaties must be reviewed in terms of today's climate and based on the [words indistinct] most advisable for Honduras' national interests. In this sense, I think that there will be unity among the Honduran people and that, in the end, the best thing will be done.

[Reporter] [words indistinct] the North Americans?

[Reina] I think that recently the North Americans have been maintaining a symbolic troop presence. However, I also think there is something more important. The presence of U.S. forces during the Cold War had a significance that was very different from what it now has that the Cold War no longer exists. In addition, the idea that has been proposed to turn Palmerola into a base from which to wage a war against international drug trafficking, which is a transnational crime, completely changes the nature of the symbolic U.S. presence and would give Honduras greater control of the installations, which would be used precisely to fight drug trafficking.

[Reporter] But these are foreign troops in the country, regardless of their objective.

[Reina] The presence of a large number would make no sense. Any assistance needed to operate equipment and needed to train Hondurans to operate equipment would be highly beneficial for Honduras and the region.

[Reporter] In short, would Congress be supporting the review of that military treaty with the United States?

[Reina] Well, the discussion of that topic has not been concluded. It has to be discussed more carefully, but you can be sure that the executive branch and the Congress are defending Honduras's national interests above anything else.

[Reporter] What is the (?position) of the executive branch in this case? What has the president told you in this regard?

[Reina] About what?

[Reporter] About [words indistinct].

[Reina] We have not discussed this topic. We have only commented on how conditions have changed and on how it is now possible to discuss any topic without this being seen as an unfriendly act against another country.

[Reporter] [words indistinct]

[Reina] He will be the one [words indistinct]. [end recording]

[Reyes] This is what Congress Vice President Jorge Arturo Reina has said. He confirmed that the National Security Council will be meeting specifically to discuss this topic and that the executive and the legislative branches are willing to review the issue of U.S. military assistance to Honduras.

Commentary Questions U.S. Military Aid Treaty

PA1904181094 Tegucigalpa Voz de Honduras Network in Spanish 1200 GMT 19 Apr 94

[From Herman Allan Padgett's "Radio Column" segment]

[Text] Since yesterday there have been commentaries on the news that the military sector of the executive branch plans to denounce the reciprocal military assistance agreement that our country signed with the United States several years ago. Two protocols were added to it, but as far as we know, the National Congress of Honduras never ratified them.

Before we say anything else, we must point out that this is not the Armed Forces' prerogative. The president of the Republic is the leader of our foreign policy; he should establish the country's policy, which should then be implemented by the foreign relations minister. The sovereign National Congress has the power to approve or reject international treaties and agreements.

We do not know if President Reina is interested in seeing the end of military aid to our country and the departure of U.S. troops and U.S. advisers and military observers in our Armed Forces and the police.

President Reina was interviewed on the presence of U.S. troops at Palmerola, but he did not give any direct answers. You might even say he purposefully evaded that question, which leads us to think that—at least at the time that he was asked the question—he had neither considered the issue nor established any criteria for it.

Hondurans grows less interested in military matters every day, so they would not miss U.S. military aid. One could predict, however, that the Washington administration would have a negative reaction toward other issues in which Honduras is certainly interested.

Although U.S. aid to Honduras, the rest of Latin America, and the world has decreased in the past few

years, it is still significant in relative terms. We must say that all U.S. aid to our countries is given under very strict conditions. In our particular case, we would dare say that we have never felt more dependent or more colonized by the United States than in the past 15 days.

This peaceful colonization of Honduras by the United States has been felt more strongly since the collapse of the Berlin Wall and the unexpected fall of Soviet imperialism. There is virtually no aspect of national life for which the United States has not established guidelines for us; in fact, it even demands specific behavior from us.

Following the military assistance treaty that brought the Nicaraguan contras here and forced the Honduran Government to lease our territory—with all the ominous consequences that we are still suffering—the agents of Washington have infiltrated every institution in order to direct their policies, programs, and objectives.

The pretext has been to supervise the correct use of funds granted by Washington to those institutions and programs. Thus the report drafted by two aides of Senator Helms is untrue and humiliating. There has been an attempt to pass this report off as coming from the U.S. Senate Foreign Relations Committee. The report reflects the U.S. complaint that Honduras denies justice to U.S. citizens, who are supposedly the subject of unlawful expropriations.

In the next few days we will talk a little more about the report drafted by two of Sen. Helms's employees, who came here and also visited Nicaragua, although they did not do any on-site investigations. They went back with data, gossip, and speculation that interested parties in Honduras reportedly provided them during their visit to our territory.

It was nothing serious or concrete, but it was indeed harmful and slanderous to Honduras' international image. Based on those alleged expropriations, none of which has been specifically brought before our country's judicial branch or based on legal grounds, the threat of cutting all aid to Honduras is being made again. In fact, authorities and citizens of Islas de la Bahia have already had their U.S. visas revoked as punishment for defending our country's island possessions from the illegal ambitions of U.S. citizens.

In short, if it were not for the military agreement, other kinds of aid would be used to subject Honduras and its government to the constant humiliation that constitutes an open assault on our national sovereignty. We cannot defend ourselves adequately because we are a small, poor, and weak country.

On top of this report drafted by Sen. Helms's staff, there are a number of complaints about alleged acts of corruption committed with the aid granted by Washington. If such acts of corruption have indeed been committed, this corruption would have necessarily involved the complicity of U.S. agents who are present in every government office and program to supervise expenditures and the management of the money.

By virtue of the operational funds granted by U.S. AID, AID personnel are in the judicial branch, the Public Health Ministry, the police, the Comptroller General's Office, and the Council of Private Enterprise, and it even has its hands in the labor movement under the pretext of conducting training.

We do not yet know the basic reasons behind the Honduran military's plan to reject the military agreement, given that U.S. officials have served as some sort of demigods to our men in uniform. They were constantly present and worshipped by all units at countless ceremonies and parties.

We do know, however, that Pentagon and CIA relations with Honduran servicemen have not fared well during the tenure of Ambassador Crescencio Arcos. Arcos had frequent and notorious confrontations with our military hierarchy. Arcos planted the seed here for a systematic campaign against the Honduran Armed Forces.

Crescencio Arcos coined the phrase—or, perhaps, he plagiarized—that in Honduras justice only bites those who are barefoot. His open meddling in Honduran domestic affairs clearly proved that the United States has assumed worldwide leadership and a hegemonical role to control not only the economies and armies but also the day-to-day life in our countries.

There is imperial Caesarism in Washington following the death of ideological bipolarism—a death that was rung in by the collapse of the Soviet Empire. Since then, clocks in Washington have been used to set time for everyone else in the world, and the peoples of the world, especially those in the Third World, remain helpless because they can do nothing but lower their heads in resignation or expose themselves to being beleaguered by extreme economic reprisals, diplomatic isolation, and blatant international ostracism.

We are poor because we are poor, and hunger—as our grandparents used to say—is a poor adviser.

Nicaragua

3-80 Northern Front Contingent Demobilizes in Quilali

PA1904152194 Managua LA PRENSA in Spanish 16 Apr 94 pp 1, 12

[Report by Roberto Orozco R.]

[Text] Quilali—The demobilization of the last 3-80 Northern Front [FN 3-80] contingent in Quilali yesterday marked the beginning of the most difficult phase of the northern region's peace process. All sectors agreed, however, that this phase is part of the fulfillment of the peace agreement.

Sergio Caramagna, director of the OAS International Commission of Support and Verification [CIAV-OAS], spoke to LA PRENSA about specific points of the agreement and said that "this is where the hard part begins."

The Catholic Church, leaders of the FN 3-80, and even the government agree with that assessment. Government Minister Alfredo Mendieta addressed the FN 3-80 troops and said that "if it was hard to achieve peace, it will be even harder to maintain it."

Some 300 FN 3-80 fighters surrendered their weapons to the government at 1700 at the city's baseball stadium, located about 287 km northeast of Managua, in an effort to end the conflict that has killed no less than 600 people.

The main points of the agreement between the government and the FN 3-80, which is now entering politics, call for security, land, and financial aid to begin production. They also call for the creation of a development region where the government has agreed to make specific investments.

According to Byron Alegria, deputy chief of the Nicaraguan Agrarian Reform Institute, the government has kept its part of the land bargain.

"We have granted all kinds of facilities for the demobilized rebels to acquire lands that were mortgaged to government banks," Byron explained. He added that "there are about 4,000 manzanas that can be used for cattle ranching or for growing coffee and grain."

Land has already been selected for coffee production, and according to Alegria, some 300 people will begin work tomorrow. The farm will have its own electricity plant and three separator machines. Another 100 people will join the work in May, and there will be work for about 800 people during the harvest.

Next Monday the Education Ministry will appoint 22 teachers to work at the new schools in Quilali and nearby towns, a measure that is also part of the peace agreements.

About 600 demobilized FN 3-80 fighters are expected. Some 100 rebels surrendered their weapons during the first phase of the disarmament process on 2 March.

Another 150 rebels surrendered their weapons on 8 April during the second disarmament phase, and on 15 April, El Chacal and another 300 militants finally ended the FN 3-80 demobilization process. Only 50 militants remain armed to provide security for the demobilized rebels.

The government has concluded the police instruction program offered to 74 FN 3-80 members at the Police Academy. These future policemen eventually will be responsible for providing security for the demobilized rebels.

The Sandinist People's Army reportedly will withdraw its soldiers from Quilali. Several trucks reportedly arrived in Quilali to remove the soldiers of the First Northern Military Command, which operated in that area.

El Chacal surrendered two Redeye missiles and a Sam-7 missile to the government at the demobilization ceremony.

Two U.S. Embassy officials who attended the disarmament ceremony asked for the immediate destruction of the missiles, but the Special Disarmament Brigade was not prepared to blow them up.

The FN 3-80 weapons were destroyed in a hole dug for that purpose.

Government Signs Letter of Intent With IMF

PA1904144094 Mexico City NOTIMEX in Spanish 1916 GMT 16 Apr 94

[Text] Managua, 16 Apr (NOTIMEX)—The Nicaraguan Government and an IMF mission today signed a letter of intent and concluded the negotiation process of the second phase of the structural adjustment program.

Central Bank President Jose Evenor Taboada, who, together with Finance Minister Emilio Pereira, was one of the signers of the document, confirmed the signing of the document to NOTIMEX. According to Taboada, the next step is the internal approval procedure at the IMF Directorate in Washington.

With the signing of the letter of intent, which includes the terms of the economic program and a request for credit from the financial organization, the government concluded its difficult negotiations on the Enhanced Structural Adjustment Facility (ESAF) program, which is scheduled to be signed in June, Taboada confirmed. The IMF technical delegation, which had been in Nicaragua for one week, returned to Washington on Saturday, he added.

The Central Bank president predicted that the accord's ratification will not encounter problems within the IMF Directorate because it is backed by a prior agreement with the administration of the international organization. Taboada told NOTIMEX: Having reached an agreement with the administration—of the IMF—we do not believe there will be a problem in approving the adjustment program which guarantees $140 million in credits to Nicaragua over the next three years. The signing of the ESAF is linked to foreign aid, which will total $600 million in 1994. This aid will come from the international banking community and donor countries on the condition that the adjustment measures continue to be implemented.

Criticism from political and labor sectors opposed to the conditions imposed by the ESAF was called manipulative by Taboada, who explained that the cost will be greater if the measures are not implemented. The official said he was confident that the implementation of the economic program would not prompt violence, strikes, or social protests that have led to economic losses in previous years. He said: I trust people "will not be swayed by the agitation of some

sectors which, because of a lack of information or special interests," oppose this agreement.

The program includes a reduction of 13,000 government jobs over the next three years. It also calls for the privatization of the telephone company and water works, the liberalization of fuel distribution, and the reorganization of education and health budgets.

The government has announced the creation of 84,000 jobs, including both primary and secondary jobs, and it promised to give greater support to agriculture production in order to attain the official GDP growth target of 4 percent by the end of 1994.

Labor Unions Reject IMF Agreement

94P20657C

[Editorial Report] Managua BARRICADA in Spanish of 5 April 1994 on page 5 reports that Jose Espinoza Navas, leader of the Permanent Congress of Workers, and Lucio Jimenez, National Workers Front leader, expressed their reluctance to support the IMF agreement which provides for the Enhanced Structural Adjustment Facility. They stated: "We are not going to back with our signature something which will harm the already precarious situation of the workers." Espinoza said that union leaders were "extremely concerned" because the agreement threatens the jobs of 15,000 workers. Espinoza and Jimenez explained that the threat of huge layoffs will determine whether the union leaders participate further in talks with the High Level Commission studying the agreement.

Ramirez on Party Leadership, 1996 Candidacy

94CA0093B Managua BARRICADA in Spanish 11 Mar 94 pp 1, 5

[Interview with FSLN [Sandinist National Liberation Front] Deputy Sergio Ramirez by Noel Irias; place and date not given; first three paragraphs BARRICADA introduction]

[Text] Deputy Sergio Ramirez, member of the Sandinist Front National Directorate (DN), heads the long list of signatories of the document titled "For a Sandinism That Goes Back to the Majorities," a document which sums up the proposals of a large faction of that party.

However, the public admission of his wish to seek the Sandinist candidacy in the 1996 presidential elections has caused confusion over the nature of the document.

Ramirez says he does not want to appear to be binding the signers to back a candidacy, "but rather, a position," and insists that the FSLN must renew itself in order to win the coming elections. Otherwise it will have to wait until the year 2002.

[Irias] What is the relationship between the special congress in May and the 1996 election process?

[Ramirez] The special congress in May is not specifically designed to open up election prospects for the FSLN.

However, the congress does become a political platform for the 1996 elections by virtue of the fact that the platform definitions that we make will necessarily be a reference point for society in terms of the election because they cannot be abruptly changed.

These platform definitions of democracy, the Armed Forces, the government, relations with the United States, violence, and methods of struggle will be a mirror in which society will view us as an election option.

The effects of the FSLN's democratization process will serve as a parameter indicating whether or not we have a party that has evolved.

It will show whether we have a party with procedures for open admission and greater proselytizing activity because, starting in May, we shall have to step up our proselytizing profile in organizational terms and strive to become a winning party.

This will all depend upon party structure and our political readiness to go into operation rapidly in an election situation.

[Irias] What would happen if the special congress were to decide that a renewal of this type is not necessary?

[Ramirez] I think we must fight such a tendency with great imagination, creativity, and determination.

A congress that merely marks time and that devotes itself to mulling over ideological concepts in order to prove that we are a party that is ideologically pure would not put us in a politically advantageous position.

I think the FSLN has to articulate a very clear message for society, what it wants and does not want, what it has to offer in terms of an alternative solution to the major economic problems facing us.

It must also state what the FSLN believes the role of the individual in society must be, its views on the safety of the individual, his property and beliefs, war and violence. All of which must be elucidated in political terms in order to make the Sandinist election goals viable.

I must think in preeminently political and therefore election terms if, indeed, we are to go into major elections because the FSLN's victory in 1996 is vital.

I would be enormously concerned if the Sandinist Front were defeated again in 1996 and forced to rebuild its election base in 2002, out of power for 12 years.

[Irias] You have expressed presidential aspirations. What conditions must exist for this to occur?

[Ramirez] I am proposing to the FSLN and Nicaraguan society a party that is transformed, renewed, and resting on truly democratic foundations, internally speaking.

The last thing I would ever do would be to propose a bossist take-it-or-leave-it option to Sandinists, stating that my person, my figure, is indispensable to the FSLN's election interests.

I have merely spoken of the legitimacy of my aspiration to hold an elective post rather than of the aspiration in itself.

I have tried to put back into the closet the old skeleton which says that aspiring to elective office in the FSLN is a cardinal sin. On the contrary, I believe that in a revolutionary party, individuals have the right to their own aspirations and I want to legitimize that fact.

I want a renewed FSLN. Then and only then shall we decide on presidential candidates. If the Sandinist Front does not become a force in terms of empowerment as a force capable of winning, then choosing preliminary candidates will serve no purpose whatsoever.

I decided to place my name on the document "For a Sandinism That Goes Back to the Majorities" in order to force yet another skeleton back into the closet: casting the stone while hiding one's hand. I was indeed a decisive factor in the formation of that faction and in the drafting of that faction's views.

I agreed to place my name on it out of loyalty to its 1,000 signers, but I do not want to appear to be forcing the signers to back a candidacy, but rather, a position. I have not tried to gather signatures backing me personally.

When I decide to announce as a precandidate in the elections representing the FSLN, I will begin to speak with complete legitimacy, and the party will have a means to determine who the candidate will be, because there will certainly be several.

What I refuse to accept is for the leadership to decide on a single candidate who will then be imposed on the party's rank and file.

[Irias] Did the National Directorate decide that its members would not sign any document or participate in the activities of the factions?

[Ramirez] Opinions were expressed that it was not advisable for members of the National Directorate to head factions within the FSLN or sign documents, but none became an actual decision.

This happened after a number of members of the DN attended the founding meeting of the Beijing Guerrilla faction, who obviously did not sign the document. They did attend, however, and I consider them part of that core of founders and recognize their right to do so, just as I reserve the same right to discuss related positions with other comrades.

After the document "For a Sandinism That Goes Back to the Majorities" came out and the matter was discussed once again, we agreed that members of the DN should have freedom of opinion and the interplay of factions, while respecting the rules of a high-minded debate.

I do not think the DN could make a decision to prevent its members from participating in the factions because it is almost of a provisional nature. We will report when the congress elects a new leadership in May.

Within the DN itself, we should accept the possibility of the competence of candidates and how to resolve it in the most appropriate fashion. There could be several candidates for the post of secretary general of the FSLN. We would be speaking of immediate proselytizing action rather than action relating to an assumed presidential candidacy in the distant future.

No one has decided that there will be only one candidate for every post and we no longer have elections by lists. We must expect several candidates for every elective post; that is inevitable.

[Irias] What is your view of the election results in the Atlantic Coast area?

[Ramirez] I believe that what happened resulted from the Sandinists' inability to engage in election proselytizing. The FSLN is still unprepared to be a party that will win the majorities, as those elections show.

Our comrades on the Coast made an enormous effort, but the central party machinery did not lend them sufficient support.

We are not acting like a national party called upon to win in regional elections. The duty of a party is to win, not compete for second place!

[Irias] Should the FSLN form alliances for election purposes?

[Ramirez] As a general rule, I think the FSLN should be open to alliances—particularly in a civil struggle in which it is votes that define victory—while always bearing the national purpose in mind.

I do not think the Sandinists are the sole proprietors of the solutions to the country's crisis. I wish there were a union of forces in which the FSLN would play the central role and set the course for emerging from the country's crisis in 1996.

[Irias] Will you run for the National Directorate at the next congress?

[Ramirez] I have not yet decided. I would like to be a part of the leadership elected by the congress and I would not refuse an elective post. Nor am I blackmailing anyone, as has been written and stated on the radio, saying that if the congress does not do what I want, I will withdraw from it or even switch to another party.

I do not believe in political bossism consisting in having men be more important than things: the party, our institutions. Bosses are capable of sacrificing anything:

the unity of a party, the coherence of a plan, the viability of a country, in order to reign personally. I am not like that.

However, I do reserve the option of not running for an elective post if the ratio that emerges from the congress indicates that there is no possibility of transformations like those I believe the FSLN needs in order to face the election challenge politically speaking.

Here we have yet another skeleton to put back into the closet: that it is a cardinal sin to run for elective office and a cardinal sin if you do not run because you are threatening our unity.

As a member of the FSLN, I shall always defend the fact that failing to appear on a list of candidates at any given moment should not alarm anyone or lead people to believe I am attacking unity.

[Irias] Does the National Directorate function as the real leadership of the party?

[Ramirez] The DN does not function as the real leadership of the party, as proved by the fact that if a special congress was indeed called ahead of the scheduled date of June 1995, it is because of recognition of a crisis of leadership in the party.

The feeling of collegial leadership has been lost and the Sandinist Assembly is not functioning as such. Most of the resolutions passed by the Sandinist Assembly exist only on paper and have not been carried out within the party. The departmental organs are also in crisis.

Not only is the FSLN engulfed in an identity crisis, but it is facing an organic crisis as well. It was because of it that we were unable to contribute effectively to an election victory in the Atlantic Coast region.

For all of these reasons, the FSLN's renewal as a party is essential.

Ramirez's Views on Violence Criticized

94CA0093A Managua EL NUEVO DIARIO in Spanish 10 Mar 94 p 4

[Commentary by Miguel D'Escoto Brockmann, dated 9 March]

[Text] It is both tragic and comic to read what Sergio Ramirez says in an interview published in EL PAIS and now circulating concerning the armed struggle in Nicaragua today.

Sergio threatens to withdraw from the Front if, among other unlikely happenings, the FSLN [Sandinist National Liberation Front] announces at its next special congress "that it is going to take up arms to overthrow the government."

I had always thought that I knew Sergio well and, in addition to having great affection for him, have always respected his ideas and proposals. Now I sincerely no longer know what is happening. I cannot understand him. I wish someone would convince me that I have misunderstood his proposals, that they are not as opportunistic or "vote-seeking" as they appear.

Shortly after Sergio said in the aforementioned interview that he would withdraw from the Front if the congress should announce that we are going to take up arms to defeat Violeta Chamorro, Helena Ramos, who was conducting the interview, correctly reminded him that no one here is proposing a guerrilla war, that the issue is the struggle in the streets, the strikes, and so on. That reminder from the reporter to the statesman is what is tragic-comic for me.

The journalist was very politely urging Sergio to come back to earth, to reality. Ramos asked Sergio to give his opinion about the civil struggle. I think that is the best part of the excellent interview and the six ensuing paragraphs deserve to be read very carefully so that we realize once and for all that the basic problem is ideological, even if Sergio continues to deny it. In addition to the ideological aspect, Sergio's comments also naturally contain a healthy dose of manipulation and demagogy. If they do not, let someone else give me a better label for Sergio's attempt to make people realize that there is a very real danger of a decision being made at the FSLN's special congress to take up arms to overthrow the government.

It was served to him on a silver platter, as they say, but Sergio was unable to take advantage of the opportunity to express the Sandinist thought on the civil, trade union, nonviolent struggle that is possible today in Nicaragua for the precise reason that we had 10 years of revolution. This, among other things, enabled us to create a police force and army that are unquestionably the most respectful of citizens' rights of any on the American Continent. I do not deny that they have occasionally been guilty of excesses which we must not minimize or let pass without taking appropriate measures, but it is a fact that, with respect to repression, our people are in a position of clear privilege compared with other nations in Latin America and the United States itself.

We cannot forget that Martin Luther King was assassinated and that J. Edgar Hoover's FBI acted in a criminal fashion to neutralize him, that history is repeated every day against Father Roy Burgois, Brian Wilson, and many other distinguished followers of Dr. King in the civil struggle for peace and justice.

However, it is also true that here in Nicaragua, the revolution gave us areas in which we may resort to a civil, nonviolent struggle in order to achieve justice without having to face tanks. When a Sandinist leader is asked about this—and even if he is not asked—the most appropriate response is to explain how we must make use of such opportunities for the civil struggle.

Sergio's responses are totally unsatisfactory because Sergio actually clearly opposes the people's struggle, *any* struggle of the people, not just the armed struggle. His

recent statements on the subject lead one to conclude that Sergio believes that members of Parliament and high-ranking party leaders are the only persons qualified to fight for justice in Nicaragua.

It therefore follows that if the people's organizations become involved in the fight, instead of making a contribution, they would only hinder the great achievements that the "elite" groups always say they are "on the verge of obtaining."

Why such contempt for the rank and file? Why must we think that only those at the top may control the reins of our nation's fate instead of recognizing that the fight to improve and develop our country must be waged from all three trenches: the party, Legislature, and the people's organizations? Every one of these three trenches has its own methods, rhetoric, and way of articulating things. They are different but complementary and it is a serious error to try to exclude any one of them from the struggle.

All three of these trenches are important, but the most important one of all—because it is the only one that is indispensable—is none of the ones at the top! The most important trench from which the war must be waged has to be the people's organizations, whose main actions of persuasion do not take place in air-conditioned halls, but in the streets, the sun, often causing disturbances and sometimes unfortunate and even condemnable incidents. And yet, this is no reason to abandon the civil struggle. We must perfect our methods to make them more effective.

On 22 May 1991, when we in the Communal Movement summoned a demonstration in front of the National Assembly in order to put pressure on the government of President Violeta Chamorro to turn over titles to the beneficiaries of Laws 85 and 86, and when, instead of the 3,000 persons that we expected, nearly 40,000 thronged to the square, I recall Sergio's great concern when he learned that we were approaching the National Assembly building. It was then that I began to notice Sergio's great distrust of the people. I do not know whether he also distrusts Tono Lacayo and the Alfredo Cesars.

Sergio admitted in the EL PAIS interview that in countries such as France, transportation strikes manage to close the highways and even isolate Paris. He does not oppose such strikes because, he says, they are trade union rather than political strikes. However, what distinguishes a strictly trade union strike from a political strike is the goal it pursues rather than those who support it.

Transportation strikes in developed countries could bring down governments, which would not necessarily be antidemocratic. In the case of Nicaragua, I do not think that anyone doubts that the FSLN has done more than any other opposition force would have done to prevent the government from growing any weaker and falling. I believe this was the right thing to do.

However, while it is true that we would not like to see the government fail, we should be even less happy to see a "renewed" Sandinist Front, a "Feeble Front" with more of an interest, at this point, in keeping the government from falling than in helping the people channel their civil struggle toward a positive path in order to achieve the fulfillment of their more than legitimate demands. Such a civil struggle would not be less democratic if, because of it, the government were to become unstable and even fall.

In a real confrontation between official policy and the interests or rights of the people, we must decide whether we are on the side of the people or the government. The Sandinist Front is and will always be on the side of the people. Even if some would like to change that identity, the vast majority of the FSLN, now aware of the danger, would never permit it.

Managua, 9 March 1994

Ortega's Action Against Ramirez Supporters Discussed

94P20657D

[Editorial Report] Managua LA PRENSA in Spanish of 26 March 1994 on page 9 reports that Sandinist National Liberation Front [FSLN] leader Bayardo Arce denied reports that Daniel Ortega removed deputies William Ramirez and Herty Lewites from the Bank of Nicaragua (Banic) Board of Directors. According to Arce, Ortega had asked Antonio Lacayo not to ratify their positions until the FSLN National Directorate made a decision. According to the article, Ramirez and Lewites accused Ortega of conducting a "witch-hunt" against those who signed the document "For the Sandinism of the Majorities." Sergio Ramirez's heads the list of those signing the document. [For related information on this topic see FBIS-LAT-94-059 pp 42-45.]

Supporters of Sergio Ramirez said that Ortega plans to place Luis Enrique Figueroa and former National Police Chief Rene Vivas on the Banic board in lieu of William Ramirez and Lewites. The article reports that Ortega is making "unilateral" decisions against the sympathizers of Dr. Sergio Ramirez. As a further example of this the article explains that Ortega removed Larry Astorga and Violeta Delgado from the leadership of the 19 July Sandinist Youth.

Miskito, Mestizo Land Conflict Reported

94P20657A

[Editorial Report] Managua LA PRENSA in Spanish of 25 March 1994 on page 20 reports that the movement of 40 mestizo families into Miskito communities in the Wina and Amak territories is the source of potential conflict between the two groups. According to Nelson Lopez, coordinator of the Bosawas project, the lack of clearly defined agrarian policies and the pressure by landless peasants for land are complicating the issue.

Levalth Matute, supreme leader of the Miskitos, stated: "We are the historic owners of these territories which are now being deforested by the mestizos to such an extent that the land is being turned into cattle ranches. We are extremely concerned about this." Miskito leaders pointed out that the Bosawas preserve should be maintained and that penetration by peasant families be halted. The article reports that to prevent conflicts the Bosawas project, which is sponsored by the Ministry of Environment and Natural Resources, is urging that deeds be issued to the owners of indigenous lands.

Growth in Poultry Production Reported

94P20657B

[Editorial Report] Managua EL SEMANARIO in Spanish of 24 March to 6 April reports that 1993 poultry production increased 15 percent over 1992 to 50,840 pounds. Government authorities attribute the increase to investments made in 1991 and 1992 to improve the technology used in poultry farming.

Panama

Foreign Minister: No U.S. Reply to Protest Note

PA2004020494 Panama City Circuito RPC Television in Spanish 2300 GMT 19 Apr 94

[Report by Mara Rivera; from the "RPC Television News" newscast]

[Text] The Foreign Ministry is waiting for the U.S. reply to the protest note it has sent in connection with the charges money is being laundered in Panama.

Foreign Minister Jose Raul Mulino has said a protest note was sent due to the U.S. charges the Panamanian Government has links with drug traffickers. He has said although the note was sent last week, there has still been no reply, but he excused the United States by saying it is possible the letter is being studied.

[Begin Mulino recording] As I have said many times, I have not said no crimes are committed. An economy such as ours, due to the openness with which the service and banking sectors are handled, could well be used for criminal acts. What I cannot accept is to say the authorities are behind this.

In the cases where crimes have been detected, we have taken action according to the law. If there are other cases about which someone knows or if some government has information a certain bank might be involved, it is their duty to report this at the highest level—like, check this out; this is what is happening; correct it. Briefly, this is what the note I have sent the United States says. [end recording]

Mulino expressed his desire to hold a meeting in Panama, which he requested in the note, to speak broadly about the topic and at the highest level.

Roundup of Economic Developments

PA1904191294

[Editorial Report] The following is a compilation of reports on Panama's economic developments monitored through 19 April.

During the first quarter of 1994, Panamanian exports rose by 4 percent in comparison with the same period of 1993. So far this year, Panamanian exports have totaled $74.7 million, while in 1993, exports for the same period amounted to $71.9 million. (Panama City LA PRENSA in Spanish 13 Apr 94 p 11A)

The Panamanian Foreign Trade Institute has reported that Panama's annual export income from fishing operations last year exceeded $85 million, which represents more than 18.2 percent from the previous year's exports. Shrimp exports alone amounted to $60 million, second only to the $200 million derived from banana exports. (Panama City ACAN in Spanish 1757 GMT 16 Apr 94)

Argentina

Menem Interviewed on Patents Law, NAFTA, GATT

PY1904205094 Buenos Aires CLARIN in Spanish 17 Apr 94 pp 2-5

["Exclusive" interview with President Carlos Menem by journalists Roberto Guareschi, Ricardo Kirschbaum, Alcadio Ona, and Julio Blanck at his office in Government House on 14 April]

[Excerpts] [CLARIN] How do you assess the results of the [10 April Constituent Assembly members] elections?

[Menem] What was the goal? We must start by asking ourselves what was our goal concerning the 10 April elections: The constitutional reform. This goal is underway. An overwhelming victory, virtually in the entire Republic, has been achieved, even though an attempt was made to downgrade this victory by emphasizing a defeat in the federal capital. Look at Buenos Aires Province: Even though the percentage who voted for Justicialism dropped a bit, it is the first time in history that Justicialism has won 121 of the 127 districts. In Santa Fe Province, for example, it is the first time Justicialism won all 19 districts. The same happened in La Rioja Province and other provinces.... Granted, the number of votes dropped. This may have been caused by this sort of dispersion in which two other parties, the Grand Front [FG] and MODIN [Movement for Dignity and Independence], appeared with a certain strength. Nevertheless, Justicialism obviously achieved excellent results. We achieved victory. Add up the UCR [Radical Civic Union], FG, and MODIN Constituent Assembly members, and you will see they do not reach the number of Justicialism Constituent Assembly members, namely 138.

[CLARIN] Mr. President, this fourth consecutive electoral victory for you and Justicialism represents an unprecedented record. Nevertheless, you will agree that the federal capital represents a sort of political showcase in our country and events in the federal capital have strong repercussions.

[Menem] The capital is represented by 27 out of 305 Constituent Assembly members.

[CLARIN] What is your explanation for the defeat of Peronism in the capital?

[Menem] Voters in the capital are wayward and demanding. I don't know why, but this waywardness has occurred since the federal capital was founded. Socialism, headed by Alfredo Palacios, won here once. I could attribute the electoral result in the federal capital to a very good performance by the FG leaders, but also to the waywardness of the federal capital voters. [passage omitted]

[CLARIN] Do you agree with the polls that say that the main reason for voting for the FG was that the people believed there had to be an opposition?

[Menem] There are many factors. This may be one. The floods, caused by the heavy rain in the capital, was another reason. This soured the people's mood. The people tend to blame the incumbent president rather than what has been going on for many years.... The scandals, prompted by reports on corruption within the PAMI [Comprehensive Medical Assistance Plan], may, also have had an impact; no doubt. There are many factors.

[CLARIN] This may be an explanation for the growth of the FG, but why did the votes for Peronism drop?

[Menem] Maybe Justicialist Party [PJ] members or those who sympathize with Justicialism decided to cast blank votes or support the FG.

[CLARIN] Could this happen again next year during the presidential elections?

[Menem] They are a different type of election. It is one thing to vote for presidential, gubernatorial, or mayoral candidates, and quite another thing to vote in this type of election in which it was known beforehand that the candidates' prestige was not involved. [passage omitted]

[CLARIN] At the national level the PJ does not have a majority in the Constituent Assembly and there is speculation that someone may attempt to open up the "package" that you and [UCR President Raul] Alfonsin agreed upon.

[Menem] We have a strategy to confront this maneuver. This is part of politics. And in this field I am no newcomer....

[CLARIN] At the national level, even after a clear victory, the PJ has lost 900,000 votes since October....

[Menem] For the reasons I have just mentioned.

[CLARIN] There will be a presidential election within a year.

[Menem] We will recover these votes and achieve a better result than the one we achieved in October. A presidential election is different. In a presidential election, we are all mobilized. This time I went to just two places. I went to Cordoba Province, where I knew that we were not going to fare well, and I went to Santiago del Estero Province where there was a chance of overcoming a given situation. Just 100 days after the December disturbances, we carried out a number of rallies, approached the community, and won by 12 percent. No one expected this to happen—except those who always have faith and hope. [passage omitted]

[CLARIN] Do you believe the 10 April election results spell the beginning of the end of a bipartisan system?

[Menem] Following these elections, the bipartisan system has become a four-party system. There are four

strongly emerging parties. Of the two traditional parties, Justicialism is holding on while the UCR is visibly shrinking. Nevertheless, I believe the UCR will regain its strength and its votes. [passage omitted]

[CLARIN] The latest foreign trade figures indicate that exports are growing at a much slower pace than imports....

[Menem] Every country that is overcoming serious crises and entering a process of significant transformations will have unbalanced trade figures. Argentina cannot be an exception. What are the goods that cause this imbalance? Imported capital goods. How can we compete at an international level with totally obsolete equipment in our factories? We must not forget that as we progress in technology, incorporating science into production, we will overcome a large number of stumbling blocks in our efforts to compete internationally. We are implementing an export-oriented policy, and a series of incentives are under study. We will be somewhat careful concerning imports because virtually all the components required by factories and producers have already entered our country.

[CLARIN] Please define "be careful concerning imports."

[Menem] I do not want to pass absolute judgment, but a number of measures, to favor our country's production, may be taken. These measures will foster our export-oriented policy. Nevertheless, this issue must be handled very carefully because we may also be subjected to trade reprisals, involving increased tariffs, by the countries receiving our exports and the problem will be more complicated for us. An agreement must be reached on this issue.

[CLARIN] [Economy Minister Domingo] Cavallo has recently said it will be necessary to reduce the consumption growth rate....

[Menem] This depends on the people. When [former President Juan Domingo] Peron was president, he said what Minister Cavallo is saying now: Save because this situation will not last a lifetime. Be careful. It is necessary to be far-sighted....

[CLARIN] Is Cavallo announcing that the party is over?

[Menem] No, no... Cavallo is not saying this. He is simply telling the people that they have to control their spending. Even if we have a very small amount, we Argentines like to spend this very small amount. This is why we have ruined over the past four or five decades one of the most progressive countries on Earth.

[CLARIN] How do you view the pharmaceutical patents law issue?

[Menem] We are making an effort to at least have a Senate commission approve it and leave it ready for discussion by the Senate plenary. The commission's approval represents an important step.

[CLARIN] If even this small legislative step is not achieved, will Argentina be placed by the United States on a list of countries whose entry into NAFTA is not recommended?

[Menem] I don't know because our imports from this country represent a huge benefit for it. More than 50,000 jobs in the United States depend on Argentine imports.

[CLARIN] It has been said that if no progress is made on this law, the United States could implement some reprisals, like placing us on this list....

[Menem] These are mere sanction announcements. Nevertheless, we must not forget that the patents law issue goes back to the Bush administration. We discussed this issue with Carla Hills who was the U.S. trade secretary during the Bush administration. We shall see....

[CLARIN] The GATT agreement establishes a more benign patents legislation system. Does the bill presented in Congress follow the GATT or the U.S. standards?

[Menem] It conforms to the U.S. proposal. This is very important because like this we have the possibility of joining NAFTA and immediately gaining access to a market of more than 600 million consumers. [passage omitted]

Argentina, UK Agree on Need for U.S. Engineers To Clear Mines

PY1904215094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1851 GMT 19 Apr 94

[Text] Buenos Aires, 19 Apr (NA)—Argentine Foreign Minister Guido Di Tella today stated that "efforts will be made" to have U.S. engineers clear the Malvinas Islands of mines because "their participation would be suitable from a technical standpoint so as to have an absolute guarantee."

Di Tella, speaking on the radio here in Buenos Aires, denied having scheduled an official meeting with the Foreign Office [preceding words in English] to discuss a program to clear the Malvinas Islands of the 33,000 mines laid during the 1982 war. He made it clear that "the issue involving mine clearing has, in effect, been a proposal we put forward last year."

The Argentine foreign minister stated that he and his British counterpart had agreed "to make every endeavor" to have this task "performed by U.S. engineers, since the objective is to have 100 percent success in the area that will be cleared of mines."

Navy Captures Four Korean Vessels Allegedly Fishing Illegally

PY1904220794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1351 GMT 19 Apr 94

[Text] Buenos Aires, 19 Apr (NA)—An Argentine Navy task force captured four vessels flying the Korean flag

that were fishing illegally in the exclusive economic zone within Argentine jurisdictional waters in the area of Port Deseado.

The capture was made on 18 April by the corvettes Espora, Rosales, Spiro, and Parker, which were patrolling when they discovered the foreign vessels fishing in Argentina's exclusive economic zone, some 190 miles east of Port Deseado.

The Argentine units captured the fishing vessels "Petero 301," "Petero 303," and the "Jaiwgon," and later the "Dongwon 311," all of them flying the Korean flag.

When ordered to heave to, the "Dongwon 311" did not obey the Espora's order to stop, and continued to flee despite the firing of warning shots until it decided to heave to.

The vessels' crews were taken to port and placed at the disposal of authorities, who will take the appropriate measures in accordance with the law.

CGT Secretary General on Political Support, Style

94SM0305A Buenos Aires CLARIN in Spanish 13 Mar 94 p 10

[Interview with Antonio Cassia, General Confederation of Labor, CGT, secretary general, by Ricardo Rios, entitled "I Am Not Servile"—place and date not given]

[Text] Oil worker Antonio Cassia was elected CGT secretary general on Thursday. He got his job thanks to Carlos Menem, although he hastens to explain, "I am not servile." The new trade union leader also claims that 90 percent of labor organizations agree with the Menem model. Regarding the Radicals, he says he holds Cesar Jaroslavsky and Jesus Rodriguez in great esteem. And he confesses that he wears a suit and tie instead of the traditional windbreaker of the trade unions, out of "respect" for his interlocutors.

[Rios] Why does everyone ask if Carlos Menem got you your job as head of the CGT?

[Cassia] I know that people are saying that, but my conscience is clear. I was elected by the workers. It is true that I am a friend of Menem, and it is also true that the president may prefer one leader over another. But my friendship with Menem has nothing to do with the roles that everyone must play.

[Rios] But you cannot deny that Menem's nod toward your candidacy gave you a certain edge over other candidates for the leadership of the CGT.

[Cassia] Maybe the president likes this style of leadership that is coming to the CGT. But I am not servile. The CGT will operate completely independently of whatever maneuvering the government does.

[Rios] What role did Diego Ibanez play to help you achieve the highest rank in the CGT?

[Cassia] He is happy, because he devoted all of his good will to bringing this about. I am sitting here thanks to Diego's magnanimity, since he stepped aside from the union leadership. But to go from there to say that my comrade Ibanez interceded with the president to make me secretary general of the CGT is a lie.

[Rios] Nonetheless, it is not difficult to imagine that Diego Ibanez's presence on the presidential staff makes Menem's office more accessible....

[Cassia] Of course, on the occasions when we need him to help us with something, Diego is always willing. But we also have direct mechanisms at our disposal for talking to the president.

[Rios] Some sources say that Eduardo Bauza did not want you to be leader of the CGT because at one point you were one of the driving forces behind Jose Octavio Bordon's political aspirations. Is that true?

[Cassia] I have great affection for Bauza, so that story strikes me as mindless speculation. We started working with Bordon before 1983 on a new internal line, and we were elected national deputies. But today, Bordon knows that we want Menem to be reelected and that he must choose his advisers more carefully to avoid political blunders.

[Rios] Apparently you have friends only in politics or in the labor movement....

[Cassia] Well, I want to be everyone's friend. Even among the Radicals, I hold Cesar Jaroslavsky and Jesus Rodriguez, among others, in great esteem. But I also have many enemies in the field of ideas, and I always invite them to debate with me. That is why I am proposing a CGT with open doors.

[Rios] Are you a businessman-unionist?

[Cassia] No, I am a unionist who began working when Government Oil Deposits (YPF) was first founded. I have no businesses. Of course, if you consider that the leader of a union that set up businesses for the workers to take charge of is a businessman, then I am a businessman. But I feel that the word has a different meaning.

[Rios] But there is no doubt that you, always impeccably dressed in a suit and tie, have the "look" of a businessman. Do you not like windbreakers?

[Cassia] Everyone is free to dress the way he likes (laughs). I tend to wear a suit and tie out of respect for my interlocutors. I do not do so for the sake of elegance or attractiveness.

[Rios] As far as the CGT is concerned, is it good or bad for you that many people do not really know who you are?

[Cassia] I do not know, I have always liked to keep a low profile. I do not like to be a publicity hound. One thing

I am certain of is that the best way to help the CGT will be for us leaders to get in step with the times and bring the labor movement back into the leading role it should have in society.

[Rios] Cassia, you talk about supporting the model, but it does not appear to give the trade unions a starring role.

[Cassia] The government knows full well that the changes were made possible by the workers' efforts. Now it is time for business to pay its fair share. Business cannot expect to just earn profits and live like kings.

[Rios] In fact, some trade unionists are accused of living like kings....

[Cassia] I am not aware of that. That is a defamation campaign against the union leadership.

[Box, p 10]

"It Is Not My Style To Threaten Strikes"

A member of the "friendship club" of unionists who support the government, and now the incoming secretary general of the CGT, Antonio "Coco" Cassia has held the reins of the United Trade Union of State Petroleum Workers (SUPE) since 1982 [as published], when the veteran Diego Ibanez delegated authority over the organization to become a full-time adviser to Carlos Menem.

Back then, Cassia was already a natural member of the oil workers union hierarchy, fully involved in the transformation of YPF that resulted in the firing of some 30,000 workers.

In view of that situation, Cassia and company engineered the creation of approximately 200 cooperatives and small businesses that were built on the money obtained from severance packages.

- YPF Adjustment: "Of the $10 billion paid on the foreign debt, nearly $8 billion came from the petroleum sector. We contributed to the country, not to a government. Today, YPF has 8,000 actual employees and another 9,000 who were laid off but are in these business ventures."
- Labor Flexibility: "I did not assume the leadership of the CGT to remain silent on labor reform. The proposal, as it stands now, favors only business. Any labor legislation will have to provide guarantees of investment, and we will not allow the workers' demands to be relegated to supplementary documents."
- Social Programs: "We have commissioned a very serious survey that reveals that 70 percent of the system's beneficiaries want the unions to continue managing social programs, and they reject deregulation."
- Unemployment: "The day we announce a drastic measure is the day we will carry it out. People are sick of hearing that there will be a strike, and then it is canceled. It is not my style to threaten strikes and not carry them out."

Correction to Radical Party, Labor Push Reform

PY1804214994

The following correction pertains to the item headlined "Radical Party, Labor Agree To Push Reforms," published in the 15 April Latin America DAILY REPORT, page 38:

Column one, paragraph two, only sentence make read: Trade union leaders held talks with Radical Party Chairman Raul Alfonsin and the unlikely partners saw eye to eye on several issues, CGT Secretary General Antonio Cassia said. [new paragraph]

He did not specify... (providing dropped passage)

Correction to Views Press Freedom, Monopolies

PY1804191694

The following correction pertains to the item headlined "Views Press Freedom, Criticizes Monopolies," published in the 18 April Latin America DAILY REPORT, page 32:

Column two, second paragraph, only sentence make read ...works of the Rural Newspapers Association, Inc. [new paragraph]

Menem recalled the... (translating company name)

Bolivia

Vice President Promises 'More Aggressive' Anti-Drug Struggle

PY1904224094 La Paz HOY in Spanish 6 Apr 94 p 14

[Text] Cochabamba—Vice President Victor Hugo Cardenas assured FIDES NEW AGENCY that the struggle against drug trafficking will be more aggressive than in past governments; therefore, the United States and other international organizations must step up their cooperation for alternative development.

Regretting the fact that the reduction of coca leaf plantations did not take place at the pace established in bilateral agreements with the United States, which undoubtedly prompted some comments on the reduction of international cooperation, Cardenas said the reduction process was slow, not because the new government did not have the will but rather due to the electoral process that had its natural impact on state activities.

He added that the structural changes proposed by the government have hindered the fulfillment of those contracts, "but the executive branch's determination to fight drug trafficking is greater than that of past governments."

He said the Bolivian and U.S. Governments must negotiate with that criteria to establish the goals of the new anti-drug cooperation agreements and for alternative development.

Regarding U.S. cooperation in these fields, he said that no cooperation will be enough to solve the drug trafficking problem the country is enduring.

Cardenas said it is necessary that instead of reducing cooperation in the reduction of coca plantations, the efforts for alternative development must be increased. "The people get involved in coca production or drug trafficking, not out of habit but due to the poverty affecting large sectors of the nation."

He added that although international cooperation is important for alternative development, the existence of foreign markets for Bolivian products is no less important.

He added that if Bolivia finds markets it also will find important partners abroad that will make coca production unnecessary to sustain a more stable economy.

Regarding the controversy surrounding the subject of reducing coca plantations, which in the opinion of the industry's authorities increase in a sustained manner, Cardenas said that only those plantations classified as legal by Law No. 1008 should be maintained, "but that surplus plantations must be reduced through agreements between coca growers and the government in a voluntary rather than a compulsory manner."

Deputy Says DEA 'Will Have Problems' If It Exceeded Duties

PY2004001794 La Paz LA RAZON in Spanish 8 Apr 94 Political Section p A2

[Text] The DEA "will have problems" with the Chamber of Deputies Constitution Committee if it is established that it exceeded its diplomatic duties and its role in the investigations into the alleged link between the MIR [Movement of the Revolutionary Left] and drug trafficking.

This was stated by an MBL [Free Bolivia Movement] deputy and member of the Constitution Committee, Juan del Granado, who said there are rules between Bolivia and the United States regarding the DEA's duties in Bolivia.

According to bilateral agreements between the U.S. Embassy and the Bolivian Foreign Ministry, DEA agents are banned from carrying weapons, participating in antinarcotic operations, and arresting and interrogating individuals on Bolivian territory.

Investigations into the alleged links of some MIR leaders to drug trafficking reveal that some DEA agents exceeded their duties by institutionally conducting the investigations and influencing the report on FELCN [Special Antinarcotics Force]'s conclusions.

Del Granado stated that there is strong evidence the DEA was directly involved in the subject by carrying out duties and roles not mentioned in the bilateral agreements between the two countries.

He added that an attempt will be made to establish the obvious deceitful, abusive, and prepotent behavior of DEA agents in our country.

Armed Forces Head Condemns Reports on 'Virtual Submission' to DEA

PY1904231194 Cochabamba LOS TIEMPOS in Spanish 9 Apr 94 p 1

[Text] La Paz—The Bolivian Armed Forces commander, General Fernando Sanjines Yanez, energetically condemned reports on the virtual "submission" of the Bolivian institutional system to the DEA and the violation, according to several reports, of national sovereignty.

Shortly after the end of a ceremony to celebrate the Army Engineering Command's 33d anniversary, Gen. Sanjines Yanez categorically stated: "It is our duty to see that the Bolivian institutions or foreign organizations established in our country respect our Constitution and demand that they all, with no exceptions, respect the country's physical integrity and national sovereignty."

Sanjines added: "The Armed Forces will never tolerate the violation of our country's integrity or sovereignty; this cannot be and less still will the Armed Forces allow it."

The Armed Forces' commander made this statement shortly after the DEA created a big scandal in Bolivia and Costa Rica due to its anti-drug operation procedures involving Edgar Fernandez Lazcano, right-hand man of alleged drug trafficker Isaac Chavarria, aka Oso, who is regarded as the key witness to clarify charges that the Movement of the Revolutionary Left has "links to drug traffickers."

So far, Government Ministry authorities have not come up with an explanation on the flight or abduction of Fernandez, in which the DEA appears directly involved together with Bolivian security forces and, particularly, the Special Antinarcotics Force [FELCN].

Government Minister German Quiroga and Foreign Minister Antonio Aranibar Quiroga both asserted that the DEA did not abduct Fernandez, that he "escaped" on his own. Information from abroad, especially Costa Rica, however, state the opposite—that is, that Fernandez arrived in and left Costa Rica accompanied by DEA agents.

This complex situation prompted opposition legislators in the last few hours to summon the government minister to Congress to give an official and detailed report on the developments in order to definitely determine the DEA's participation in the investigations into "narcolinks" that, without much evidence, FELCN reported involved top-ranking MIR leaders.

In the meantime, several institutions, such as the Armed Forces and others, condemned the charges of DEA intervention and demanded that President Gonzalo

Sanchez de Lozada call for "greater respect for Bolivian dignity" in view of "U.S. interventionism."

President Admits Country's 'Major Dependency' on U.S., IMF, IDB

PY1904221194 La Paz PRESENCIA in Spanish 9 Apr 94 p 5

[Text] On 8 April, President Gonzalo Sanchez de Lozada admitted the country's "major dependency" on foreign power factors that have an impact on various Bolivian fields that cannot change from one day to the next without placing financial stability at risk.

In his speech during the main ceremony to mark the 42d anniversary of the national revolution, Sanchez de Lozada said: "Our dependency is on the IMF, the IDB [Inter-American Development Bank], and the U.S. Embassy, which tell us what we can and cannot do. And this is due to our weakness, but I want to tell you that what this government is doing is to go beyond what we are told to do."

Before an auditorium full of supporters, the chief of state asked the country for patience by pointing out that the major reforms will take some time to yield results because the government is determined to carry out a third revolution in democracy, "free of violence and shots... but with measures as important as those of the 1952 National Revolution and those that allowed the stabilization of our economy in 1985."

Addressing his political allies in the government, he asked them to get rid of susceptibilities and, above all, the idea that the MNR [Nationalist Revolutionary Movement] might disappear some day. He stated: "I am a businessman and my businesses and partners do well and each one has their separate share; the people are our common business now."

But he also warned the MNR that it would be disastrous to try to be a hegemonic party again because when this happens "one loses touch with reality and infighting starts, which is something the party already has experienced in the past. Competition is better than hegemony."

Regarding the opposition, he said that many parties disappeared because they believed in dogmas and myths and others because they let pragmatism prevail over their principles.

He also devoted several minutes of his speech to the reforms his government upholds. He said he intends to consolidate what the MNR started during the six times it came to power since 1952 and project this work into the future.

Sanchez de Lozada said: "Capitalization, the peoples' participation, the education system's reform, and sustained development fall within the MNR's much-desired objective to consolidate the national state with social justice."

The capitalization project seeks to rescue the public enterprises to prevent them from the same fate as COMIBOL [Mining Corporation of Bolivia]. He added that it is not only an economic measure but also a social one because it is designed to redistribute wealth.

He said the peoples' participation project is a 500-year-old debt that is being honored because it will give the people economic and political power. It will allow a fair distribution of wealth according to the population, which means that a person from La Paz will have the same status as a person from Pando and a person from Potosi will be the same as a person from Santa Cruz. Let's hope it will work because the future of new generations is tied to the project's success.

Minister Interviewed on Former President's Phone Calls

PY1904212694 La Paz Radio Fides Network in Spanish 1100 GMT 19 Apr 94

[Telephone interview with Government Minister German Quiroga by radio director Father Eduardo Perez Iribarne in La Paz—live]

[Excerpts] [Perez] Good morning, Minister German Quiroga. Would you like to clarify whether the telephones [of ex-President Jaime Paz Zamora] were tapped and also discuss the Entel [National Telecommunications Enterprise] telephone bills. The entire country is listening. Go ahead.

[Quiroga] Thank you. Good evening, Father. What I showed on national television last night was a request made by the narcotics prosecutor to Entel and Entel's answer on the telephone bills. What we have are the Entel bills, both of the telephones of [drug trafficker] [Isaac] Chavarria at his property in Las Maras, Santa Cruz Department, and his house in Irpavi. Therefore, there was no violation of any constitutional regulation. We had no access to any kind of conversation and this was clarified last night. All we did was to get the Entel bills on the calls made, and this was made through a request by the prosecutor. All the information including the telephone bills will be submitted today to the Controlled Substances Court and a legalized copy to the Constitutional and Chamber of Deputies Judicial Police Committee, where the investigation is being carried out.

[Perez] I have a cable from the ERBOL [Bolivian radio schools] news agency on your interview by reporter Carlos Mesa Guisbert last night on state television. Were the telephone calls made only from 1990 to 1991; were there any calls after 1991, in 1992 or 1993?

[Quiroga] The telephone calls were from 1989 to 1993. There are also two telephone bills after the presidential term, in September 1993.

[Perez] In other words, the telephone contacts between Isaac Chavarria and ex-President Jaime Paz Zamora were before, during, and after his presidential term.

[Quiroga] What can really be proven through the prosecutor's request is that El Picacho's [Paz Zamora's house] telephone was called from Chavarria's telephone 10 times from 1989 to 1993.

[Perez] You clearly said there was communication between the two telephones and obviously due to Article 20 of the Constitution it was not possible to know who talked on the phones.

[Quiroga] It cannot be established who talked from on each end of the telephones. The only thing that can be established is that the two telephones were in contact. It also can be established through the telephone bills how long the calls were because the bills show the time and the amount. But it will be impossible to establish who spoke on the phone. [passage omitted]

[Perez] As government minister you are the top political authority in the country and must enforce the Constitution on behalf of the president. Can you guarantee the entire country that in Bolivia no telephones are tapped by anyone and under no circumstances?

[Quiroga] By anyone and under no circumstances from the ethical and legal point of view. And also from the technical point of view, we cannot do it because we do not have the equipment in the ministry to do it. I invite you and the media to visit the intelligence services to see that technically we cannot do it. But we would not do it either because of legal and ethical principles. [passage omitted]

Brazil

U.S., Brazilian GATT Positions Examined

PY1904172194 Sao Paulo GAZETA MERCANTIL in Portuguese 15 Apr 94 pp 1, 6

[Article by correspondent Celso Pinto from Marrakech]

[Text] U.S. Vice President Al Gore yesterday strongly advocated the inclusion of social working conditions on the agenda of the future World Trade Organization (WTO). Brazilian Foreign Minister Celso Amorim, however, was the one who most strongly opposed this idea.

The issue is sensitive, especially for developing countries, but the three days of debate among the countries of the General Agreement on Trade and Tariffs (GATT), which ended yesterday in Marrakech, suggest that the issue will not be discarded. It ended up becoming a compulsory point of reference in the speeches of the ministers, and also a factor that neatly marked a division for the future.

Gore's closing speech, and the speech delivered by Amorim a short time before, were the most clear examples of the final session. "Economic growth cannot be maintained if it ends up producing social convulsion," Gore said to representatives of more than 120 countries. "A global system of commerce that does not eliminate exploitation will collapse in the end, because people around the world will not support it," he noted.

Gore did not clarify what precisely the United States is expecting in this regard, but noted that there is concern about extreme situations of manpower exploitation. The implication is that this might produce unfair competition. He said, however, that "the United States will resist any attempt to turn the issue of improved working conditions into a form of protectionism."

Amorim not only considered "inappropriate" the debate on the subject, but believes that it raises the fear of the appearance of "global protectionism, which opens the way to the exportation of technologically sophisticated goods produced by developed countries, and closes the door to our competitive exports." The social conditions issue, he suggested, might result "in the exportation of unemployment from rich to poor countries, transferring a social burden that poor countries cannot bear."

The idea of "global protectionism," which Amorim later explained to this newspaper, entails the fear that developing countries will end up paying twice: by opening several markets, through the Uruguay Round of talks, and by having their exports hindered in the sector in which they are most competitive. The fear is that by using the concept of "social dumping," economically developed countries can find a way to ban importations from industrial areas where low manpower cost is a comparative advantage of developing countries.

Even though there are substantial differences with the U.S. position, Amorim praised Gore's public commitment to avoid using the "social issue" as a veiled form of protectionism. Even rich countries are far from having reached an agreement on the subject. For example, British representative Timothy Sainsbury said that Great Britain "is not convinced that the WTO and the international trade system provide the best context for addressing the subject." German Minister Gunther Rexrodt advocated a "multilateral discussion," provided the matter "does not become an instrument for commercial restrictions or for a new source of protectionism."

Gore also put strong emphasis on the environment, in this case with Brazilian support. There is consensus on the subject within GATT, and a subcommittee will make a comprehensive analysis of relations between the protection of the environment and trade during the installation phase of the WTO (which should come into operation at the beginning of 1995). After its creation, the WTO will have a special committee for the issue, which will function until 1996.

Gore was the highest-ranking official attending the signing of the Uruguay Round agreement in Marrakech. His presence was aimed at giving a high profile to President Bill Clinton's commitment to free trade, which became confusing immediately after the conclusion of the Uruguay Round in December with the threat of using unilateral legislation (Super 301) in the commercial area.

Both Gore and U.S. negotiator Mickey Kantor reiterated Clinton's commitment to the commercial opening.

Japan, which was the main potential victim of Super 301, adopted a hard stance on the issue. Japanese Foreign Minister Tsutomu Hata said in his speech that his country is "deeply concerned about the protection of domestic industries by the abuse of antidumping measures, which will lead to the adoption of unilateral measures and to the promotion of regionalism." This was a veiled message for the United States.

In a meeting with Gore after the GATT session, Hata—who is considered a likely candidate for the post of new Japanese prime minister—assured that the new government in Japan would not change its commercial opening policy, and would continue along the course of the liberalization reform. The United States expects more concessions in this area, in order to avoid imposing commercial sanctions on the Japanese.

Japan, like the United States and the other main GATT members, reaffirmed its willingness to ratify the Uruguay Round in 1994, in order to make feasible the target of beginning WTO operations on 1 January 1995. Ambassador Paulo Nogueira Batista has told this newspaper that there has been a change in the strategy for negotiations over the Uruguay Round. Instead of submitting it to Congress, the U.S. executive branch decided to submit it separately to the Senate. This will call for approval by a two-thirds vote, and not by a simple majority, but will give the Round the status of an international treaty, and this is very important. Precisely because GATT does not have this status (because of U.S. resistance at the time it was created), the U.S. Congress does not refrain from applying commercial laws that oppose multilateral regulations. If the U.S. Congress approves the WTO, it will be more difficult, for example, to use instruments like the Super 301, Nogueira Batista has said.

Minister Celso Amorim believes that this aspect of the Uruguay Round, as an instrument for reinforcing multilateral mechanisms and multilateral discipline in world trade, is perhaps its main benefit. Obviously, there were gains with the reduction of tariffs on industrial products and reductions of agricultural subsidies.

Pressure From Brazil

However, not all Brazilian expectations were met. For example, Brazil ended up obtaining a tariff reduction—beyond the average tariff—for orange juice of only 15 percent in the United States, and 20 percent in Europe. The Europeans made a much more generous offer, but backed down on their word at the last minute, under pressure from Spain and Italy.

At a bilateral meeting yesterday with Sir Leon Brittan, the European official for commerce, Amorim reiterated his hope that "it will not be necessary for us to wait for a new round for Europeans to give us fairer treatment." Amorim yesterday met with representatives of the Czech Republic, China, Uruguay, and Morocco. He and other ministers also had lunch with Kantor. To Chinese Minister Gu Yongjian, Amorim reiterated his expectation that the Chinese will refrain from buying agricultural products on the international market from countries that subsidize their agriculture.

Franco 'Determined' To Revise Constitution

PY2004025494 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 19 Apr 94

[Text] President Itamar Franco today stated in Brasilia that the government is determined to conclude the constitutional revision process. In brief remarks to reporters at Planalto Palace, Franco also commented on the PMDB [Brazilian Democratic Movement Party] in his government and the implementation of the real:

[Begin Franco recording] There is nothing to fear about the implementation of the real because the government will announce the date for its implementation 35 days in advance.

The government has never stopped supporting the constitutional revision process, but I have stressed that the revision is an issue that falls within the specific jurisdiction of Congress. The government is, however, determined to successfully complete the constitutional revision process.

It is not important at this time to discuss who is to blame for the impasse. If the members of Congress are willing to sit and discuss with us segments of the constitutional revision, we are ready to do that.

I am a founding member of the PMDB; I was the eighth member to sign the national PMDB list. But the problem rests with the party. If the PMDB decides to withdraw its support for the government, it will do it. The PMDB should keep in mind, however, that PMDB members served for several months in important ministerial posts. Thus, if the government has not succeeded in meeting the PMDB's desires, then the PMDB should certainly assume its share of responsibility for this failure. [end recording]

Finance Minister Says Import Taxes To Decrease

PY2004000494 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 19 Apr 94

[Text] Finance Minister Rubens Ricupero today said he will further lower import taxes to make internal prices drop. He said that whomever commits price abuses will have to compete with cheaper and perhaps better-quality products. Ricupero favors putting the real into circulation as soon as possible but did not specify a date. He also supports the conversion of foreign debt titles to finance education projects. Such a conversion already is being applied to social and environmental projects.

Minister Ricupero also said that he trusts in the economic program's success, even though some economic sectors still are not operating in URV's [Real Value Unit]. This week he will announce the form of conversion for postal fees.

Minister Ricupero today met Deputy Tarcisio Delgado, leader of the PMDB [Brazilian Democratic Movement Party] in the Chamber of Deputies, and told him that Congress should establish in the Constitution only the general principles of the tax and social security reform. The rules for these reforms, the minister said, should be defined through complementary laws.

Metalworkers' Strike Expected To Spread

PY1904175894 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Apr 94 p B12

[Article by Sonia Moraes]

[Text] The strike by the metalworkers of the Sao Paulo industrial belt could spread, as of tomorrow, to the factories for machines and electrical and electronic equipment. After failing to reach an agreement at a conciliation meeting at the Regional Labor Court (TRT) yesterday, the sector held a meeting and decided to continue with the stoppage and expand it. The measure is already affecting 12,500 workers of the sector.

According to the Diadema Metalworkers' Union, five more enterprises will be paralyzed as of tomorrow, among them Kepler Weber, which produces heaters. The TRT will make a decision on the strike on Tuesday. Representatives of the enterprises producing capital goods and electric and electronic equipment claim that sales in the sector have not yet improved, as they have in the automobile sector, and that enterprises cannot pay the 19 percent salary increase paid by car manufacturers. The workers, however, rejected the 4 percent readjustment offered by the enterprises.

The strike began to lose strength in other sectors. Among car manufacturers, only Scania and Mercedes remain paralyzed. To return to their jobs the employees of the two enterprises want to agree on new contract terms in their collective bargaining negotiations. "We want a clause establishing at least the gradual reduction of the labor day," Jeferson Gaule Sampaio, of the Mercedes factory commission, said.

Privatization of Aeronautics Company Viewed

PY1804182994 Sao Paulo ISTOE in Portuguese 13 Apr 94 pp 68-72

["Exclusive" report by Jayme Brener in Fort Lauderdale, Helio Contreiras in Rio de Janeiro, and Sonia Figueiras in Brasilia; date not given]

[Text] If a dictionary on neoliberalism were to be compiled, the term privatization should be defined as: "The act of selling a public company to private investors, seeking to reduce the public debt." So, should investors believe the term private sector means that the pertaining public company will change owners and orientation? Not always. The auction of Embraer [Brazilian Aeronautics Company]—which is scheduled for 20 May in Sao Paulo—may be a kind of self-privatization. Managers of the most profitable Embraer subsidiary, the Embraer Aircraft Corporation (EAC), its U.S. subsidiary, are preparing themselves—under EAC President Newton Berwig from Rio Grande do Sul—to purchase this filet mignon from Embraer. It is really a filet mignon because there is evidence that the EAC—which is totally controlled by Embraer—has for years been fattened with juicy commissions and exclusive rights to sell Embraer planes while the mother company increasingly suffered the losses. "Of course we would like our independence," Berwig told ISTOE reporter Osmar Freitas Junior at the EAC headquarters in Fort Lauderdale, Florida.

"I am very surprised over this self-purchase attempt, which has never been mentioned during the high command meetings," said Brigadier Mauro Gandra, chief of the Civil Aviation Department. The conditions of the auction, which were published on 5 April, do not foresee this possibility. The Air Force, which generated and protected Embraer, never discussed the possibility of dismembering the company. "I favor the independency of the EAC but I do not know if the company can purchase itself," Embraer President Ozires Silva told ISTOE in Sao Jose dos Campos. For this reason Newton Berwig has summoned, at the request of Ozires Silva, a group of brokers. They are offering Embraer to U.S. investors, especially those in the financial field. If they form a consortium and buy it, the next step will be to divide it into three. The military part of Embraer will remain under the control of the Air Force in light of its reluctance to sell. The EAC would then remain light and free, metamorphosed into an independent company with exclusive rights to sell Embraer-produced Brasilias, CBA-123's, and Bandeirantes worldwide, except for Latin America. The civilian part of Embraer would be managed by the consortium. Given that the investors know planes only as passengers, they will have to hire experts for the new Embraer. The strongest candidates for these positions are members of the team headed by Ozires Silva, who founded Embraer in 1969 and who has shown a remarkable example of political survival. Except for a few months during the Collor administration, Ozires has always managed Embraer. And he may not step down. "I believe that if the new company chief comes from the financial field he may maintain the current company management," Brigadier Gandra said. "I do not know if Ozires will remain in his post, but I believe that he should remain because he is the father of Embraer and he knows the company," echoed Newton Berwig.

But this is not what most consultants are telling their clients who are interested in Embraer's privatization. Brigadier Lauro Ney Menezes, retired, a former director of the Sao Jose dos Campos Technical Aerospace Center

said: "There has been a managerial perpetuation that has steadily followed questionable guidelines." Menezes is today an independent consultant. Multiplic Bank director Manuel Cintra added: "Following the auction, Embraer must have a new board of directors because, although it has a team of qualified managers, they are used to a subsidized system." Multiplic was asked by Newton Berwig to take part in Embraer's self-privatization, but declined.

The domestic solution proposed by Berwig/Ozires does have one point in its favor: There has been little interest, at least thus far, by foreign investors in Embraer's auction. It should be noted that the terms of the proposal will affect this and the next generation. The government has committed itself to liquidating a $640 million debt of Embraer. This loss will, of course, be paid by taxpayers. The established value is $295 million plus $30 million, which will have to be fueled to Embraer. The package could turn out to be a bad deal because it also includes $205 million in debts accrued since 1993, which the 31 December 1992 auction notice astutely overlooked. The notice envisages the sale of 60 percent of Embraer shares, of which up to 40 percent will be available for foreign investors. The state, through the Air Force, will keep 20 percent of the shares plus the Golden Shares; that is, those with a veto right concerning strategic decisions, especially those dealing with military initiatives. The 5,600 Embraer employees will be able to buy 10 percent of the shares at a 70 percent discount, and the remaining 10 percent will be offered to small investors.

Foreign companies are not being deterred either by the limits imposed on the amount of shares they may buy, or by the Golden Shares. Joao Antonio Lopes, president of the Trevisan consulting company, said: "The problem stems from the lack of governmental decision to support the aerospace industry." He added: "The presidents of the United States and France have taken the initiative personally and have engaged in diplomatic efforts to advertise their industrial products." No major aerospace, space, or military company has ever prospered without the help of its own government. The privatization proposal includes the purchase by the government of the CBA-123 project. The problem is that state support for military and aerospace industry has declined in recent years.

Despite the doubts existing in Brasilia about Embraer, there are at least three consortia—in addition to those supporting Newton Berwig's "self-privatization" proposal—that are planning to participate in the auction. Another former president of Embraer, Ozilio Silva, (no relative of Ozires), who is being advised by Trevisan, is backed by the French Bank and the Brazilian Bank. He hopes to win the auction through the participation of Martin Marietta, one of the giants of the U.S. aerospace industry. Silva does not favor the division of Embraer. He is also dealing with Raytheon, a company that has already got a foot—or, rather, a toe—in Brazil. Raytheon is bidding for a project to set up the Amazon Region Surveillance System (Sivam). As its Brazilian partner, Ozilio is negotiating with the Constran construction company. He hopes foreign investors will consider Embraer as a first step toward larger investments in the aerospace program and in the privatization of the Brazilian communications system. It is also expected that consortia organized by the Monteiro Aranha group and by the Multiplic Bank will also participate in the auction.

Some people oppose the privatization. The metal workers union and the Sao Jose dos Campos engineers union have called for a recovery project for Embraer by a group of consultants headed by Amir Khair, former finance secretary of the PT [Workers Party] Sao Paulo Municipal administration. The document concludes that Embraer could recover with a $70 million injection without being privatized. "No matter the future of the public company, the main issue is that there should be a committee of civilian institutions to control its activities and to prevent financial disasters," Khair said.

Embraer executives believe the group that is best prepared for the auction is Newton Berwig, mainly because it started organizing earlier than the rest. "The self-purchase of the EAC has been talked about for a long time," said a company manager who did not want to be identified. An Embraer document dated 1991—when the public company was trying to reorganize itself to overcome the national economic crisis—lists different ways to fatten the EAC. The document states: "Profit opportunity: The EAC creates a subsidiary to finance Embraer planes. In a fiscal paradise, the EAC Finance Corporation could also facilitate the international financial operations of Embraer." These points interest those who want to extend their field of operations. From this restructuring the EAC became much stronger. Since Embraer owed it $40 million, the EAC purchased—at $15 million off the debt—the exclusive right to sell Embraer planes worldwide, except for Latin America. Fantastic business. One Embraer executive said: "We were naive and did not see that the EAC was getting stronger at the expense of Embraer."

This naivete is due to the EAC's unblemished record. The company has sold nine out of every 10 Brasilias, the most successful Embraer plane. The EAC placed 270 airplanes in the demanding U.S. market which gave it in 1990 a 38-percent share of the international 21-40 seat airplane market. The EAC, which has 125 employees, operates from a two-building complex, the kind which Americans call clean cut high-tech [preceding three words in English]. The modern parts control and management software of the EAC has been adopted by large U.S. companies like Northrop.

Since its foundation in 1989, the EAC has placed more than 300 Bandeirantes planes in Uncle Sam's skies. It is true that the EAC received a lot of aid from the mother company. To guarantee a place in the U.S. market, many Brasilias were sold at very low prices. For example, a contract with the large U.S. company Continental to supply it with 100 airplanes was closed at a loss. This means it lost money on the deal. The expectation was to

make money later, when the Brasilia would be a known airplane in U.S. skies. It is just that "later" came the U.S. recession which made the EAC sales drop considerably.

In times of economic depression, everyone must tighten their belts. One would think that the commission of Embraer salesmen should have also been reduced. Wrong. Sales commission represents EAC's black box or double accounting. When the company was created, enormous commission was paid: 18 or 19 percent for each Bandeirantes that was sold. It was really a concealed way to inject capital into the EAC, seeking to stabilize it and avoid problems with the Brazilian Government. Commission dropped to 14.2 percent in 1986, to 10 percent in 1887, and stabilized at 12 percent in 1989. Commission never varied from this fantastic percentage which is greater than the international average. For each Brasilia sold for, let us say, $7.5 million, the EAC received $900,000. On a sliding scale, 2 percent of the commission was divided among all the EAC employees, from the president to the janitor. The management kept $5,000—nearly the price of a cheap car—for every Brasilia delivered. In 1989 the EAC sold nearly 60 planes in the United States and each EAC executive received $300,000, apart from his salary.

During the following years the number of planes sold and delivered abroad dropped considerably. Only 15 planes were sold in 1992. A restructuring proposal in 1991 foresaw a cut in the sales commissions. Berwig said he accepted this proposal. The EAC president then froze the salaries of the executives and main salesmen at their highest average rate. That is, salaries plus commission. From that figure he cut 20 percent. "If sales had increased, the measure would have represented a real saving, but sales continued to drop and the incorporation of commission into the salaries represented an increased cost for the EAC," said a former EAC director. This means the big EAC bosses earn an annual salary of at least $300,000. Some Embraer people believe they even reach $500,000—which not even a Ford or IBM executive would scorn. "In some cases the commission exceeded the labor cost of the plane," a former Embraer director said.

Meanwhile, in the world of the Brasilia, Embraer faces serious turbulence. The U.S. recession was slowly overcome but sales continued low, perhaps partly due to the lack of stimulation that the commission represented to EAC salesmen. Their salaries, however, continue very nicely thank you. In practice, Embraer continues to inject capital into its subsidiary and we should not be surprised if the well-nourished prodigal son wants his independence.

Newton Berwig blames the company's salary situation on the U.S. Internal Revenue Service which forbids cutting commission under the pretext of combating tax evasion. Some years ago the EAC spent nearly $1 million on lawyers to explain to the U.S. Internal Revenue Service that sales commission had been stabilized at 12 percent. No changes have been made since then; salaries continue high and the main Sao Jose dos Campos company, which is totally indebted, has not done anything about it. The EAC maintains the Embraer planes sold in the United States by buying spare parts at a 30 percent discount. In 1992 the EAC received two free Brasilia planes, to increase its capital, and an enormous stock of Brasilia spare parts to pay for Embraer debts. But Embraer still owes $20 million to EAC. "We were unable to stop this drainage of funds," one Embraer executive regrets. Berwig's enemies—and there are many inside Embraer—have another version. They say that Berwig, a U.S. naturalized citizen and former U.S. Air Force pilot, has a "secret" contract with Embraer.

A secret clause requires that approximately $4 million would be paid immediately to Berwig as severance pay—in addition to other benefits over the next few years—should he be dismissed. The self-purchase of the EAC would also certainly be advantageous to Embraer because it would preclude an audit that new owners would certainly order.

The privatization/EAC self-purchase imbroglio is just another mishap in the history of Embraer. The company started out with the blessings of the Air Force in the form of an initial order of dozens of Bandeirante planes. It had all kinds of incentives: between 1970 and 1988, any corporation could deposit 1 percent of its income tax in Embraer. To promote the acceptance of Brazilian planes in the United States, the Brazilian Government removed all duties on the import of planes. The only problem is that Brasilias, Tucanos, and the like today face an altogether different market constraint: a 19.2-percent fiscal burden.

Embraer, which combines aeronautical production, advanced technology, and military industry, has become an easy target for political maneuvers. Salo Roth, former director of the EAC and an Embraer official for 18 years, said: "In the 1980's, Ozires Silva unwillingly embarked on the creation of Orbita, a company to manufacture missiles but which failed." There were international operations like the bold triangular operation through Great Britain of four Brasilias to Bophutatswana, a black territory that was only recognized by South Africa. Brazil officially opposed the racist South African regime and endorsed all UN resolutions against it.

During the government of Jose Sarney, who in 1987 signed a cooperation agreement with Argentina, Embraer began the CBA-123 binational aircraft project. Yet, the Argentine money never came. The Brazilian money did not come either. Nevertheless, Embraer president Ozilio Silva decided to develop the aircraft anyway. The CBA-123 model has the novel feature of having its engines set backwards. The money was obtained from the financial market at soaring interest rates. The CBA-123 is almost ready. There are three prototypes, but they are not selling. The project represents a $300 million loss. The loss is even higher in the case of the AMX subsonic fighter project, which was implemented jointly with Italian companies. The Air

Force fell behind in paying because of its critical financial situation and even considered backtracking completely. It will purchase only 22 aircraft. That is all.

Although it is on the brink of collapsing, Embraer has savored some victories. The main ones are the Tucano and the EMB-145. The Tucano, a training plane, is considered to be one of the best of its kind in the world. The Tucano accounts for 45 percent of this type of aircraft on the market. In association with Northrop, Embraer is participating in a bid worth millions of dollars to supply 675 aircraft to the U.S. Air Force and Navy. The EMB-145, which is still on the drawing board, will be a beautiful 50-passenger jet plane and there are already 136 orders for it. Whether these orders will be fulfilled depends on what the future holds for Embraer.

Based on these possibilities and under the labor union proposal, the Committee Against the Privatization of Embraer—which comprises dozens of institutions—will try to get the 20 May auction suspended. The auction represents another bird being sucked into the Embraer turbines. The enemies of privatization maintain that the auction conditions must be approved by Congress, which has not happened. Decree-Law No. 770/69—which created Embraer—states: "In the ordinary issuance of shares to increase capital, the Federal Government must underwrite enough shares to guarantee a minimum 51 percent of the voting stocks." If privatization takes place without the annulment of the decree, the auction process may be blocked by lawsuits.

The contenders have got the ball rolling, and the result will be known on 20 May, the date of the auction. Self-purchase or pure and simple privatization, a great duel will take place between the Silvas. On one hand, Ozires Silva, colonel and eternal Embraer commander, on the other hand, former Embraer president Ozilio Silva. They have known each other for 40 years, they were great allies, but know they treat each other contemptuously. Curiously enough, the two Silvas live in the same condominium, the luxurious Bosque do Engenho, in Sao Jose dos Campos, with its magnificent view of the marshlands. Will passengers please fasten their seat belts.

The AMX

This is an ambitious subsonic fighter plane for ground attack, developed by Embraer, Alenia, and Aermacchi (Italy). The project has been superseded and its cost is approximately that of a modern American F-16. It has accumulated enormous losses.

The CBA-123

This is the result of a political agreement between Brazil and Argentina. It never received the funds promised by the two governments. Embraer developed the plane by contracting loans from the financial market. It represents a $300 million loss.

The Bandeirante

Created in the 1970's, it represented Embraer's business card in the international market. More than 300 units were sold in the United States alone. The Bandeirante consolidated Embraer's position in its regional aviation niche.

The Brasilia

The successor to the Bandeirante with a pressurized cabin, it has allowed Embraer to control more than one third of its regional aviation market in the world. Nearly 320 units were sold, 83 percent of which were sold in the United States.

The Tucano

A military training airplane, considered one of the best planes in use in the world, it controls 45 percent of its market and is manufactured under license in the United Kingdom. It can be used in the antiguerrilla struggle.

Colombia

Alleged Medellin Cartel Member Voluntarily Surrenders

PA2004035994 Paris AFP in Spanish 0243 GMT 20 Apr 94

[Text] Medellin, Colombia, 19 Apr (AFP)—Jorge Eliecer Avendano, alias "El Loco," an alleged member of the Medellin Cartel, surrendered voluntarily to justice in this northeastern Colombian city on Tuesday, it has been officially reported.

The alleged criminal is the brother of Jorge Eduardo "Tato" Avendano, a lieutenant of late Pablo Escobar, who after escaping with the "capo" and eight other collaborators in July 1992 from Envigado Prison surrendered to justice two months later.

According to Fernando Mancilla, Antioquia Department regional prosecutor, "Loco" Avendano's surrender "was carried out normally," and after giving his first deposition to authorities, he was confined to the prison of the neighboring locality of Itagui, where there are other Escobar henchmen.

The judicial official has refrained from commenting on whether this surrender means the resumption of cartel members surrendering to justice to take advantage of the legislation contemplating reduced jail sentences and other benefits for drug traffickers who turn themselves in and confess at least one of their offenses.

Legislators View AD/M-19 Electoral Losses

94SM0321B Santa Fe de Bogota EL TIEMPO in Spanish 20 Mar 94 p 9A

[Text] The selection of an Indian leader as Antonio Navarro's running mate, the emergence of a parliamentary bloc made up of the independent sectors that won

Sunday's contest, and the desertion of at least one of the visible leaders of M-19 are three of the immediate consequences of AD/M-19's catastrophic electoral defeat.

Yesterday, Navarro decided to officially register his presidential candidacy and to bet on the electoral potential of ethnic minorities by choosing Jesus Enrique Pinacue as his political "buddy."

Several days ago, crushed by the organization's election results (the M-19 delegation was reduced to a single seat in the Chamber of Representatives), Navarro himself sent a letter to the independent aspirants who were assured of seats in the Senate for the next four years. He did not win their support, while on the other hand, the winners (among them Senator Samuel Moreno, who this time decided to run for reelection outside the Democratic Alliance; Jaime Dussan, Jorge Santos, Jairo Clopatofsky, and Manuel Cepeda) met to forge a bloc for legislative work.

It was a debacle for the organization. Representative Gustavo Petro resigned from the group; Senator Anibal Palacio, representing the Hope, Peace, and Liberty sector, is not sure whether he will support Navarro; and Angelino Garzon is in the same boat.

AD/M-19 has coldly examined its recent electoral failure and attributed it to four factors: the lack of solid regional and social bases, the institutional difficulties it faced, the very leadership of the movement, and its campaign tactics.

First, because it says the movement was built in just the opposite way as the Revolutionary Workers Party (PRT) of Mexico or the Farabundo Marti Front of El Salvador, that is, "from the top rather than from the bottom." Second, because it says it is at a disadvantage compared to the electoral machinery that uses key government posts to garner votes (offering jobs and spoils); because it has no money to wage a costly campaign against opponents who spend billions of pesos; because the Law on Parties that helped it came too late; and because the national Constitution is still developing in a timid way, and "in real life" no turn-around has been seen.

Third, because it gave star treatment to certain individuals, since the people who were commanders of the demobilized organizations at the time were automatically made political leaders, and some of them had no abilities in that direction. Other leaders were shut out; everyone wanted to be a colonel, and no one would obey either Navarro or the collective presidency. The AD delegation did not behave like a collegiate body, and took only sporadic, individual actions; work done outside of parliament was squandered; its power was centralized; and when it withdrew from the government, it did not know how to act like an opposition party.

Fourth, because people were allowed to run for office and then did not meet expectations; because of the number of lists; and because of the abysmal organization on election day.

This newspaper interviewed four parliamentarians, Senators Anibal Palacio and Everth Bustamante and Representatives Gustavo Petro and Gloria Quiceno, to learn what they thought of the mistakes that were made in the elections and of M-19's future prospects.

Senator Anibal Palacio

- We have deputies, council members, and leadership positions in some regions of the country, and based on those calculations, we thought we would have enough votes to come out ahead. Since politics is unpredictable, we were wrong. We were competing on unequal terms; the campaign cost a lot of money. It is more difficult to be in the opposition in democratic life because you have to win people's support and compete on unequal terms. The worst thing that can happen to the country is for the peace talks between the government and the insurgent groups to go up in smoke. They must be turned around.
- We have not made a decision on the presidential candidacies. By October we will be working on the council and assembly seats that are feasible. We have laid some groundwork, and we are willing to enter into agreements.

Representative Gustavo Petro

- There was a false premise in the entire AD/M-19 for the last two years: failing to recognize that we were wrong in adopting all the traditional forms of engaging in politics in Colombia.
- The dissolution of AD can be a way to build a movement that will emerge from the citizens themselves, to confront Congress regarding its attempt to destroy the Constitution, and to confront the friends of war as well.
- AD/M-19 has to go through a process of self-criticism and radical revision, and it must understand that the electoral defeat dealt us by the Colombian people is our punishment for being confused with the traditional parties. We must show the country a new way of doing politics from the bottom, from the people.

Representative Gloria Quiceno

- Internally, the political differences that have plagued us for the last two and a half years took their toll. Another problem was the electoral strategy of "Operation Wasp," which was not the best thing for a new, young organization without much experience in politics. Furthermore, we do not have clients, or posts, or markets, or machinery to offer, and that was what won the election in the vast majority of cases. My personal mistake, I think, was that I went along with that strategy.
- The first thing we have to do is accept the blame for the electoral failure, make corrections, explore the

depth of feelings, and begin building from the plaza, the barrio, the municipality. We have to roll up our sleeves and get involved in community projects. And we must support the candidates in council and mayoral elections, and Navarro as well.

Senator Everth Bustamante

- We were all wrong. We projected an image of division, and we paid the price for not yielding to that situation. We gave an impression of weakness, of scatteredness, and now the electoral defeat is forcing us to rethink our ideas.
- For now, AD/M-19 is backing the candidacy of Antonio Navarro, and later on, it will strive to establish a presence in the municipalities and departments in October. It will have to be an organized and systematic effort to field the largest number of candidates. In this way, the movement will begin to put down roots at the local level, abandoning that great activism in national debates that isolated us from the people.

Antonio Navarro Views Electoral Prospects

94SM0321A Santa Fe de Bogota EL TIEMPO in Spanish 27 Mar 94 p 9A

[Interview with AD/M-19 presidential candidate Antonio Navarro by Bibiana Mercado; place and date not given]

[Text] Is Navarro in check, now that the M-19 Democratic Alliance (AD/M-19) has been defeated in parliamentary elections? Is there a threat to the reintegrated guerrilla groups' participation in democracy? Why choose an Indian as a running mate? Antonio Navarro answered these and other questions for EL TIEMPO.

Despite the recent electoral defeat, the AD/M-19 presidential candidate, who registered his candidacy under the name of Commitment Colombia after including Paez Indian Jesus Pinacue on his ticket as the vice presidential candidate, is confident that the results of 29 May will favor him.

"The presidential vote involves more freedom, more opinion, and less coercion and patronage than the parliamentary elections," he explains.

In addition, he announced that the campaign will enter a new phase. He will switch from the whistle stops at small towns, where he signed nearly 160 commitments to the community, to appearances in the plazas of major cities, always accompanied by Pinacue. He will launch a publicity campaign that he says will be very original.

[Mercado] Is AD/M-19 still the decisive political force destined to disrupt the pattern of liberal-conservative voting?

[Navarro] Let us put things in the proper terms. There are a number of candidacies: Samper's, Pastrana's, Navarro's...I am certain that on 29 May we will come in third in the voting, and we will be decisive in the presidential election.

[Mercado] Why are prominent members of your organization deserting?

[Navarro] We must speak in the singular. The only member of parliament who has said he is leaving AD/M-19 is Gustavo Petro, and I hope to keep him with us. The others are in AD, and so far they have not said they are leaving.

[Mercado] Is it not true that the inclusion in your program of Pedro Bonnet, Mario Laserna, and Samuel Moreno, who were elected with "M" votes and then left the organization, deprived AD of votes?

[Navarro] It is possible, but the fact that it did not present a clear and coherent option to the electorate deprived it of even more votes. The excessive number of lists, without any that managed to make an impact on public opinion, took away more votes.

[Mercado] Name four points in your platform that distinguish you from Ernesto Samper and Andres Pastrana.

[Navarro] First, our genuine interest and proven experience in the area of peace. No one has the experience or the vocation for peace that we have. Second, it appears that the anticorruption theme has gone out of style in Samper's and Pastrana's candidacies. This is a central issue, and we are going to launch an "Operation Clean Hands" to put corrupt people, no matter who they are, in jail. Third, social justice. We have felt the impact of social inequality directly and personally.

The fact that Jesus Pinacue is on our team represents the need for a social rule of law that is practicable, with a major investment in social programs and changes in the structure of society. Fourth, we are adamantly opposed to the economic liberalization as it has been implemented in the neoliberal style.

[Mercado] Some say you have brought Jesus Pinacue on board as the last vestige of hope for salvaging M-19 from the crisis....

[Navarro] As Pinacue has said, "Do you think we Indians are still children who allow ourselves to be manipulated?" That is the best possible response. Pinacue is responding to an organization that is mature and makes the right decisions.

On the other hand, we are honoring the Constitution of 1991, which said that this Colombia was for everyone. Pinacue represents the human face of this country, the silent voice of millions of Colombians, and the values that have been outlined.

[Mercado] What do you think of Samper's and Pastrana's vice presidential candidates?

[Navarro] That they add absolutely nothing to the ticket, because they are nothing new. It is like saying, "I am running with myself."

[Mercado] What did the defeat of 13 March teach you?

[Navarro] That we must listen to the voice of the citizens, who are telling us we are not doing things right. We must make a course change, and we are doing that, among other things, accepting the need for a clear profile and a definite message of change.

[Mercado] Will the message of change involve urging people to cast blank ballots in case there is a second round of voting and you do not make the cut?

[Navarro] If I agreed with the idea of casting blank ballots, I would not have entered the race for the presidency of the Republic.

Casting blank ballots is faceless, ownerless; if it had an owner, it would not be a blank ballot. I think it is simply a passive position.

[Mercado] Are you willing to negotiate with Samper or Pastrana in the second round, if you are defeated in the first? Are your votes endorsable?

[Navarro] We have free and secret balloting, and people decide how they are going to vote. The decision regarding a possible agreement will have to be made by the people accompanying me in that process, not by me.

What I can state categorically is that the commitments we have signed with more than 200 municipalities will be honored.

If anyone can fulfill them, they will be fulfilled. After that, the decision we make will be absolutely clear.

[Mercado] What is the message that came through to you the loudest after the recent electoral defeat?

[Navarro] That of Orlando Fals Borda. He called me and told me, "Antonio, you have a duty to show some balls. Stick to your guns."

[Mercado] Are you not afraid that AD/M-19 will cease to exist?

[Navarro] I think no one ceases to exist here. The Popular National Alliance (ANAPO) revived after 20 years; the Revolutionary Independent Worker Movement (MOIR) won a senatorial seat; the Communist Party is still alive, in spite of thousands of deaths.

I am certain that AD will remain alive. What we must understand, in my view, is that we have to go into the local elections with a lot of strength.

[Mercado] But you said that AD had gotten confused engaging in traditional politics. Are you a traditional politician?

[Navarro] I am not even a politician in the sense that most people understand the term; much less traditional. I shun that. I prefer any other barbarity.

[Mercado] What room do you think is left for the guerrillas and the peace processes, now that a demobilized group has been defeated so thoroughly?

[Navarro] I think that peace is still good, beneficial, necessary, and that whether or not we have a seat in the Senate, we in the AD are still at peace. I think we cannot turn our backs on peace just because we suffered a defeat.

Ramirez Discusses Samper-De la Calle Ticket

94SM0320A Santa Fe de Bogota EL ESPECTADOR in Spanish 23 Mar 94 p 5A

[Interview with Conservative Party vice presidential candidate Luis Fernando Ramirez by Carlos Murcia; place and date not given; first paragraph is EL ESPECTADOR introduction]

[Text] The fight between the Samper-De la Calle and the Pastrana-Ramirez Acuna tickets is now set. As a good Santanderean, former minister Luis Fernando Ramirez does not avoid confrontation. It was said of him that he was fine as a government official, but as a politician he brought nothing to candidate Andres Pastrana. In just a few hours he managed to disprove that. One thing he said in this interview will certainly draw fire: "Samper was disloyal to President Gaviria when he was in the government...."

[Murcia] The Samper people are still saying that you are ineligible. What is your response?

[Ramirez] Concerning my supposed political ineligibility, I repeat that they are mistaken. The Council of State settled that in response to a query from the minister of government on 10 June 1993, when it categorically stated that having been a member of a ministerial cabinet or a government official creates no legal bar to being vice president. There is no such ineligibility for the vice president or the president.

[Murcia] Horacio Serpa says that you could not become president as you were a government official until last Saturday.

[Ramirez] That contradicts the position of the Council of State. In terms of ineligibility, analogies can not be applied. The Constitution lists a single cause of ineligibility for the vice presidency: he must not have served as vice president during the preceding term.

[Murcia] Why do you think your ticket is better than the liberal ticket of Samper and De la Calle?

[Ramirez] We represent the future, they the past. In our case, there is unity of views, identity of platforms. We did not have to give up our principles or our platforms for electoral purposes. Our program has great credibility

and viability, especially for voters who, in past elections, when they looked at the ballot and saw Samper and De la Calle, decided to stay home.

[Murcia] Why did you agree so quickly when they called you early Saturday morning and offered you the candidacy?

[Ramirez] Despite my state of mind because of my father's kidnapping, I made the decision after talking it over with Andres Pastrana and the campaign team, for we have a strong commitment to Colombia. We represent a young but experienced ticket. I have worked on the economic and social reforms of the recent governments with both President Gaviria and President Barco. I know the program that best suits Colombia in this second phase, and that is the platform of Andres Pastrana. It seems a good opportunity for me to continue to serve the nation.

[Murcia] It is said that you are not a politician in this campaign.

[Ramirez] I believe that explains the very high abstention rates. People are tired of the traditional politician who is in a state of constant contradiction and in search of political compromises, so that he has to sacrifice a government program. People wonder if in the future those who acted like that will not again place their personal interests ahead of the nation's interests. In our case, the ticket does not reflect a political compromise but rather an identity of views and a cohesion of ideas and a shared commitment to the nation. It was not put together for purely electoral purposes.

[Murcia] Why a conservative and not a liberal for the Pastrana ticket?

[Ramirez] The Andres Pastrana and Luis Fernando Ramirez ticket is for all Colombians, not just for conservatives. With this ticket, we call upon liberals, conservatives, independents, and especially those who did not take part in the liberal primary because they found no program there that was viable for Colombia in the 21st century. I believe a liberal could have been chosen for the vice presidency, but the politicians' mistake is believing that people still vote in response to party labels. The people can see that ours is a platform aimed toward the future.

[Murcia] Why do Samper and De la Calle not offer credibility?

[Ramirez] The people are very concerned about the differences between Samper and De la Calle. Dr. De la Calle had been saying that Samper had placed a car bomb on the social security program, and then overnight he joined forces with the "carbomber." The Colombian people fear that in the government the same differences that arose between Samper and Gaviria might recur between Samper and De la Calle.

[Murcia] Are you suggesting that Samper was a "fifth columnist" inside the government?

[Ramirez] There is no doubt that he was a "fifth columnist." All of Gaviria's reforms were made against Samper's opposition. Economic liberalization, social security, even the foreign trade reform. He certainly was not very loyal when he was in the government. That is what people fear might happen with a Samper government, that De la Calle might apply the same medicine, because their platforms are not the same. They have already showed their true colors, and it does not bother them to alter their platforms in order to work out a political deal. You wonder if, when they have to choose between what is best for the nation and what is best for them, they might not choose the second alternative.

[Murcia] You were a key player during the debates in Congress on the social security and pension system reform. Will that help you or hurt you in the campaign—with the workers, for example?

[Ramirez] I think President Gaviria himself answered that question when he said it is the most important social reform Colombia has had in the last 50 years. That is a guarantee that in the Pastrana government program, social policy will occupy a leading place.

[Murcia] Do you think this is the right time to hold public debates, with frankness, on the platforms of one ticket or another?

[Ramirez] I believe it is best for the country if we present our platforms so we can see which campaign has internal differences and which is consistent, with united views. We are ready for those debates.

Paraguay

Cuba's Robaina Discusses Progress, Castro

PY1904190094 Asuncion NOTICIAS in Spanish 17 Apr 94 p 19

[Interview with Cuban Foreign Minister Roberto Robaina by unidentified Channel 13 and NOTICIAS EL DIARIO reporters, in Asuncion on 16 April]

[Text] [Reporter] You must be aware, Mr. Robaina, that the flow of information from Cuba to Latin America, and especially to our country, has always been unilateral. We almost always receive information from just one source. The ability to talk directly to somebody from Cuba, to somebody who holds an important post there, is like a breath of fresh air. We would like you to formally introduce Cuba to society. This may be quite a wide-ranging question, but what is Cuba like in 1994?

[Robaina] Well, I am very pleased by what you have just said, because the fundamental objective of my trip to Paraguay, and indeed of my tour of several countries, is to present our point of view concerning Cuba's reality.

It is very difficult to discuss Cuba's situation today because today implies, above all, yesterday. Cuba is an island that is facing many pressures that stem from

different situations. It is experiencing an extremely difficult and complex period, but it is armed with cultural, technical, and scientific qualifications. This has enabled it to confront the harsh situation, the terrible ordeal to which it has been subjected.

When I say a terrible ordeal, I mean a worsening blockade that was compounded by our loss, in 1989, when the long-standing privileged relationship between the island and the Communist bloc was brought to an end. Having endured the former and confronted the latter amid many constraints and a quasi-silence campaign, we have struggled to come to grips with a model that would enable us to find a place in the sun and, above all, to achieve a level of economic results that will enable us to maintain a handful of conquests that we deem sacred.

My country does not want to go backward in education, health care, science, sports—the few areas in which Cuba has proven to be efficient and has accomplished results. It simply wishes to embark upon the path of economic transformation as we already have at our disposal raw materials, capital, and technology.

It should also be pointed out that the population profile has also changed on the island—there are 5.7 million Cubans under 30 years of age. Half the population was born after the Cuban project proved to be successful. On the one hand, this has its advantages, but on the other hand, it also has its drawbacks.

[Reporter] One former Cuban education minister once told us: "We may change everything, but we will not give up the present levels of education and health care." Is this correct?

[Robaina] That remark could even be much more to the point now because the country is in even more serious jeopardy. Everything is negotiable, anything may be discussed, except our sovereignty, our independence, our ability to speak with our own voice, which today are indeed at stake.

We can discuss anything except what may entail going backwards in our achievements in education—as the former minister said—in health care, science, and sports, because these are the areas where we have made conquests and can show to the world.

[Reporter] You have said that many things, indeed nearly everything is negotiable. Is Fidel Castro's leadership negotiable?

[Robaina] The Cuban people have never questioned Fidel Castro's leadership or considered the need to negotiate it. The Cuban people are not willing to take this issue to the negotiating table. I believe Fidel's presence and work are more important than his mere physical presence among us. I believe it was Fidel himself who brought up this issue for public discussion because he has no interest in staying in power forever. He remains in power, and with Cubans it is not because he decided to do so, but rather because Cubans wanted it. I believe Fidel is a testimony to the extent to which we guarantee the continuity of the project. To us Fidel embodies dignity to a superlative degree. He personifies a historic role in his time and now. He has such an important role to play today in the country's economic transformation process that he cannot be left aside on any account. To us, Fidel is too important to negotiate over or to allow anybody to demand that we include him in a series of alternatives in order to reach a certain agreement.

[Reporter] With regard to Fidel Castro's possible succession, is there any alternative political scheme under consideration or will his successor come from the same party, the same revolution?

[Robaina] I believe succession must come first, the succession of Fidel himself, who has taught us Cubans not to worry about change because changes should not be traumatic for Cubans. I believe succession affects both he who assumes office, no matter who that may be; but above all it affects the project in which many participate collectively. In my view, that is a phenomenon. Now, concerning the possibility of a political system different from the one we now have, that does not even depend on whether Fidel is in office. It is my considered opinion that any modification to the chosen system depends on the deep causes that led us to this system.

My country opted for an ideology and embarked upon a certain path due to an ongoing threat that has not disappeared. I am not referring to a military threat, as I am aware that some may wonder if we believe we are in danger of being attacked. My country is enduring an aggression that is much more difficult than an act of military aggression. My country contends it has been strangled through economic means and therefore, as long as these conditions prevail, my country cannot afford to make changes right now, as many countries living under normal conditions think we should. My country has to think about surviving first in order to be able to change later. While conditions continue unchanged it is impossible for my country to accomplish what other countries accomplish under normal conditions.

[Reporter] Is it possible to consider a capitalist Cuba in terms of a market economy? How is Cuba facing this reality?

[Robaina] No. Cuba is facing a reality in a world that up to now has had a bipolar structure and that at present is unipolar. For us, a Cuba that follows an economic model that renounces our conquests is out of the question. Notwithstanding this, we Cubans want—and we are striving for it—a Cuba that, in a changing world where options are so difficult and complex, is able to maintain some ties and economic relations without renouncing its very essence. To do this we must embark on a process of mixed partnerships in those areas where we are seeking markets and capital. We continue more than ever committed to a model that will enable us to make headway in our conquests and in social justice. We are aware that we

have drafted and are implementing this model under a lot of pressure and at a time when working conditions have changed tremendously. This is why we say that the most important thing for us now is to defend the essence. We will defend ideals that for us are really sacred, given the conditions found along that path. My country is not, and does not intend to be included among those countries that, to overcome a crisis, state that the only way out is to adopt a model which, in my view, continues to make the rich richer and the poor poorer.

[Reporter] Will Cuba give up a centralized economic system or will it negotiate quotas, as you said concerning education and health care, despite the fact that these are not negotiable either. What is Cuba not willing to forego, to leave behind?

[Robaina] No, Cuba already has a new economic model. Cuba is no longer talking about a totally centralized and state-run economic model as we had up to now. Cuba wants to maintain its achievements and under the government's participation, has already embarked upon a process of mixed partnership. Moreover, Cuba is not the only country doing this. We are assessing other countries' experiences. We have opened the country to foreign capital, liberalized the labor market, and allowed the use of the land by farmers whether or not they work on sugar cane plantations. The decentralization of many duties, until now performed by the central government, speaks of an economic model that is being sought in order to adapt it to the Cuban reality.

[Reporter] We expected the ceremonies to welcome a guest of your stature by our authorities would be more grandiose, but the important thing is that you are here, as you have said, and have brought this new approach to relations, this new air that is beginning to be breathed between our countries.

[Robaina] For me, the most important thing, as you said, is that a new channel of communication is being opened.

Much has been said about this being a private visit, but I can assure you that I could not have made a more public visit. Anyhow, I am really pleased to have been able to know the Paraguayan people and with the many representatives I have the honor of meeting.

Correction to 'Terrorist' Plans To Poison Beef

PY1504152394

The following correction pertains to the item headlined "'Terrorist' Plans To Poison Israeli Beef Derailed," published in the 15 April Latin America DAILY REPORT, page 57:

Column two, paragraph six, only sentence make read ...are "Frigobeef," located on Capitan Lombardo Street near the corner of Artigas Avenue [in Asuncion], and "San Antonio" in the town of San Antonio. [New paragraph] Intelligence Department personnel... (rewording and providing editorial notation for clarity)

Peru

Shining Path Peace Agreement Disputes Viewed

PY1804214194 Lima LA REPUBLICA in Spanish 5 Apr 94 pp 16-17

[Article by Angel Paez of the Research Unit]

[Text] In publications signed by the Sol Peru Committee in Paris, Esparza Marquez or "Comrade Enrique" issues a merciless attack on the Shining Path [SL] cells headed by Adolfo Olaechea Cahuas and Luis Arce Borja which, from abroad, refuse to accept the negotiations between SL leader Abimael Guzman and the government.

In his book, *SL: The World's Most Lethal Subversive Movement*, British reporter Simon Strong interviews "Comrade Enrique" several times. He says: "Guzman believes he is the most reliable militant in Europe." It was he who in 1986 received Guzman's order to organize cells in 26 European cities.

Adolfo Olaechea, chief of the Sol Peru Committee in London, who is in direct contact with LA REPUBLICA, said: "Esparza Marquez has been against the people's war since 1980, he even asked for pardon from the party and President Gonzalo for his opposition to the war."

Olaechea's comments contrasts with what Simon Strong saw and verified.

Strong says in his book that "Comrade Enrique" belongs "to the cream (of the SL community in Stockholm, Sweden). He belongs to the family of Augusta de la Torre whose best brain is 'Enrique.' He is a soft-spoken handsome man who receives the respect a mature school director should get."

Strong states that Esparza Marquez (who only identifies himself as "Enrique" for security reasons) arrived in Sweden in November 1982 "after an apparent rupture with Abimael Guzman." After "writing a repentance letter" to his sister-in-law's husband, he received instructions to start SL cells in Europe.

Later "Comrade Enrique" obtained Guzman's attention and was appointed PCP-SL [Peruvian Communist Party-SL] representative to the managing committee of the International Revolutionary Movement, MRI, which groups Maoists communists worldwide.

Adolfo Olaechea maintains that Esparza Marquez is more like the leader of a movement that negotiates with representatives of the Alberto Fujimori administration in exchange for personal benefits.

Olaechea notes: "Opportunistic individuals infiltrated in the Peruvian revolutionary support movement (...), and seek arrangements with Fujimori against the interests of the Peruvian people in exchange for personal favors,

(this) does not weaken but rather strengthens the revolution (...)." He adds: "The fact that Mr. Esparza and an insignifcant group have become Fujimori's mouthpiece abroad and have published a bulletin entitled 'SOL PERU,' can only cause temporary confusion."

But the most serious accusation by Adolfo Olaechea Cahuas, who in 1991 organized the Sol Peru Committee in London precisely at Comrade Enrique's request, is that Esparza Marquez phones Abimael Guzman Reinoso with the approval of the Alberto Fujimori adminsitration to expedite the negotiations.

According to Olaechea this has been admitted by Esparza Marquez himself: "By his own admission, Mr. Esparza has been in direct telephone contact for several months with 'President Gonzalo' with the approval, support, and facilities provided by courtesy of Mr. Fujimori and his advisor (Vladimiro) Montesinos (Torres)."

In his contact with "LA REPUBLICA," Olaechea adds that "Mr. Esparza is obviously illegally representing Dr. Guzman. He is negotiating but he is also disregarding and overlooking the PCP central committee."

In a "Sol Peru Committee" bulletin issued in Paris, Esparza refers to Luis Arce Borja and Adolfo Olaechia Cahuas. He states that those who oppose the Peace Agreement are "opportunists and alleged 'supporters' of the people's war that is entrenched in Europe.'"

According to "Comrade Enrique" and his followers, the letters issued by Guzman and the Canto Grande inmates are proof enough of the PCP-SL's willingness to achieve a Peace Agreement: "They are now unable to shout out that 2,500 PCP war criminals are 'crazy,' 'drugged,' that they have made statements 'under pressure,' or less still that they have 'joined the Fujimori administration.' They will have to bite their dirty tongues and swallow the filthy abominations they have said."

Esparza Marquez is undoubtedly referring to the cells led by Olaechia and Arce, the director of EL DIARIO INTERNACIONAL that is published in Brussels.

But Olaechea—who notes that he and Arce Borja think alike—says: "It does not matter if certain individuals, including certain prisoners described by the regime as 'SL members,' have signed letters supporting the negotiations. This has little relevance because the war continues to be conducted by the PCP central committee."

Olaechea says: "Under the leadership of the PCP central committee" not "of President Gonzalo," thus implying that he is questioning Guzman's "leadership."

Olaechea states: "It is wrong to allege that Olaechea and Arce Borja say that 'the dialogue does not exist.'" He adds: "What is out of the question is a pointless dialogue with the turncoat dictatorship that is oppressing and massacring the people."

The London Sol Peru Committee leader said: "It is necessary to unmask the false negotiations between the regime and the gang of traitors [felipillos] headed by Esparza" which will fail "despite the millions of lies they tell President Gonzalo in an endless litany."

Luis Arce Borja and Adolfo Olaechea—the spokesmen in Europe of the SL sector that does not believe in dialogue with the government and even less in a Peace Agreement—have stated that "the victory of the people's war is irreversible," and that no "plot" or "fabrications" will weaken it.

Olaechea does not believe his differences of opinion with Esparza Marquez—who controls cells in Sweden, France, Spain, the United States, the Netherlands, Denmark, and other countries—constitute a division of the PCP-SL abroad.

Olaechea Cahuas believes the SL "is developing the Sixth Great Military Plan which seeks to prepare for a strategic offensive that will culminate in the seizing of power nationwide." He asserts: "Javier Esparza's adventures, the letters of this prisoner and the others who either cannot or simply will not continue to fight, and the speculations about Fujimori's farce, are of little importance, and their only objective is to confuse and deceive the credulous."

Incredibly, Olaechea minimizes the obvious and overwhelming differences between the two groups.

Olaechea states: "Fujimori's fabrication died a natural death a long time ago." He adds: "His efforts to revive it by trying to agitate the destitute, with Esparza's complicity, is temporary. This will be demonstrated shortly."

Javier Esparza Marquez, "Comrade Enrique," is married to Abimael Guzman's late wife's sister. He is persistently described as the Peruvian Government's puppet to divide SL.

Esparza Marquez lives in Sweden. He is one of "the ambassadors of terror" who faces extradition along with his wife, Gisella La Torre Carrasco, and her brothers, Boris and Carlos—Abimael Guzman's brothers in law.

Olaechea states: "Fujimori and his adviser Montesinos are involved in trafficking in lies and bribing the submissive in an effort to divide Peruvian revolutionaries." He adds: "He thus resorted to Javier Esparza Marquez, the husband of Doctor Guzman's late wife's sister."

In his communique, Olaechea explains that the Sol Peru Committee in Paris is not led by Maximiliano Duran Araujo, brother of the outlawed Teresa, the Central Committee leader and wife of Osman Morote Barrionuevo.

Duran Araujo has been living in Paris for the last decade. He was constantly attacked by EL DIARIO INTERNACIONAL for "trafficking with the people's war and usurping the name of the party."

A nuclear energy expert, Duran Araujo spreads SL propaganda, but in his own style. Olaechea said: "In spite of other disagreements, it must be stated that Maximiliano Duran is not part of this fabrication."

In a sort of show of force, Esparza Marquez includes in the Sol Peru Committee bulletin statements by other Maoist organizations in favor of the Peace Agreement, including that of the political bureau of Mexico's Revolutionary Communist Union, UCR.

Esparza Marquez charges Olaechea, Arce, and their followers with disavowing Abimael Guzman as the "PCP chief" (please note that they refer to the "Central Committee directorate," which is currently commanded by Oscar Ramirez Durand), and with distributing false party documents. He makes the following threat:

"They are spreading despicable concoctions, which have unveiled their atrocious ambitions as counterrevolutionary gangs, and have devised plans to destroy the PCP's work abroad." "Comrade Enrique" states in his publication: "By imitating perverse assassins, they are making accusations. The blood debts caused by these despicable actions will never be forgotten. No matter where they may try to hide, the party's iron hand will fall on them."

Blood is not precisely a game among Shining Path members.

Those who are against the Peace Agreement have showered threats on their comrades who support an understanding with the regime: They have promised to reduce them "to a few black ashes."

Reorganization, Trimming of DINCOTE Decried

94WR0120Z Lima REPORTE ESPECIAL/DESCO in Spanish Feb 94 pp 3-4

[Unattributed article: "Why Weaken DINCOTE?"]

[Text] On 3 February, the National Police Headquarters ordered the transfer of 200 policemen from the National Counterterrorism Directorate (DINCOTE) to other police units. According to a statement made by the PNP's [Peruvian National Police] general director, Victor Alva Plasencia, this measure is being applied in a general context of police reorganization, and is not limited to the DINCOTE.

Nevertheless, there are indications that the changes in the DINCOTE are attributable to a higher political realm, in which not even President Alberto Fujimori himself holds all the decision-making power.

According to unofficial information, the DINCOTE has five police units called Deltas, each of which has approximately 35 members and is under orders from a commander. Their task is to support the intelligence work and the operations planned on the directorate levels.

Concurrently, there is the Special Intelligence Group (GEIN), engaged in intelligence work per se, and constructing and refining its own data base in order to track the leading suspects. On a certain occasion, the GEIN was divided into one group devoted to SL [Shining Path] and another devoted to the MRTA [Tupac Amaru Revolutionary Movement].

There are also the BREDET, initials designating the brigades that follow up reports frequently provided by the public on suspected houses or persons.

The work of a DINCOTE member is quite arduous. Officers and some of the subordinate personnel often work for consecutive periods lasting 12 or 16 hours a day. Moreover, on many occasions their stint lasts 24 hours, because of the proximity of an operation.

Despite the intense work and the constant danger to which each member of the operative groups is exposed, he is not compensated monetarily.

For example, a captain's pay is from 400 to 450 soles ($215), not counting the amount deducted. A junior officer, on the other hand, earns approximately 300 soles ($140).

A DINCOTE operative member, among those stationed for hours to spy on a suspect, receives 5 soles of per diem for his entire long work assignment.

Recently, the DINCOTE personnel had a pay cut. At the end of January, their annual bonus for hazardous work was reduced. According to one official, this occurred despite the fact that the budget allocated to the DINCOTE for 1993 had included this extra income.

Two days before they were to receive the bonus, the agents were informed of a 70 percent reduction in the incentive bonus. Hence, if an officer was supposed to receive 225 soles, he was given only 65 new soles; whereas a junior officer, who would have received 160 more than his salary, earned only 40 soles.

According to members of this institution, until General Ketin Vidal's administration, "the DINCOTE was far more compact, and the entire group's motivation was sustained. There were no objections when it was necessary to engage in any operation." Furthermore, the operative members had a certain amount of autonomy for carrying out their missions, without lapsing into a mechanical job. Now, the situation in the DINCOTE reportedly has deteriorated in all these respects. There are fewer resources for operations, and there is more inflexibility in the instructions.

The National Intelligence Service's [SIN] excessive interference in the management of operations and personnel has become another debatable feature of the present-day DINCOTE.

Two copies of every case file or record prepared in the DINCOTE must be submitted to the SIN, without any reciprocity implied. Some officers criticize what they

claim to be the unwillingness shown by the chiefs, including their present general director, to defend their own decision-making power, unlike what was typical of them until December 1992.

Some of the SIN's intervention in the DINCOTE is backed by legal regulations stipulating that the SIN shall receive the support of qualified forces so long as it lacks the necessary personnel.

However, that support to the SIN is now becoming a virtual decapitation of the DINCOTE. Recently, the "Sunday Review" news program on television Channel 4 announced the transfer of 14 DINCOTE officers, including lieutenants, captains, majors, and colonels, to the SIN. Nevertheless, the number of officers transferred is said to be even higher.

Among those transferred to the SIN is a colonel who, according to very well-informed sources, was the real director of the investigations making it possible to capture Abimael Guzman and scores of other Shining Path leaders. Another colonel, the principal expert in the investigations of the MRTA, was transferred to a province in late 1993.

Moreover, nearly 90 percent of the total personnel transferred to the SIN were members of the Delta and Special Intelligence (GEIN) groups. The other 10 percent are assimilated or administrative personnel.

The objective no longer seems to be merely to obtain support, but rather to expropriate intelligence from the DINCOTE, so as to put its best investigators under the direct control of military intelligence. The particular goal would be to put them under the command of Vladimiro Montesinos, President Fujimori's principal adviser on the subject of subversion, and one of the SIN's preeminent spokesmen.

Now then, the following question is fitting: Why reinforce military intelligence so much, at the cost of debilitating the DINCOTE, which has been the state's real mainstay for repressing subversion? Furthermore, why do so in a situation wherein subversion is plummeting?

The most plausible, and perhaps also the most suspicious response is that such personnel will be assigned to other investigations dissociated from the countersubversive types. With the SL decline, other adversaries are taking priority: others to be located, checked, and neutralized.

The drug traffic? If that were the target aimed at, the DINANDRO [National Police Counternarcotics Directorate] should have been the unit reinforced with ex-DINCOTE personnel. Or, in any event, the SIN would have requested DINANDRO rather than DINCOTE officers to reinforce it in this mission.

The military and civilian opposition? Therein lies the explanation. There is no doubt that the La Cantuta case, the leaks to the press of classified information provided by the Comaca or Leon Dormido groups, and the charges by certain officials of generals' being implicated in the drug traffic are becoming the main factor in the erosion of the current military commanders and of the government itself.

Hence, one of the adversaries, possibly the principal one, that should be targeted, is the military opposition. The other is the civilian opposition which, as the electoral period approaches, will be as dangerous as the dissidents in uniform, or more so.

The problem is that three processes detrimental to the country's democratic order are implicit in all this: the subordination of the armed institutions to the government's particular political interest; the military control of the major police units; and the weakening of the DINCOTE when the Shining Path terrorist adventure has not yet been totally stifled.

On the other hand, what the country's general interest requires is the same as what befits forces of order with a democratic inclination and professional excellence: submission to the law, clear demarcation of military and police jurisdictions, and genuine recognition for the merit of the police units performing their duty.

Brazil

Government To Reorganize Foreign Service

PY2004000194 Montevideo EL OBSERVADOR ECONOMICO in Spanish 12 Apr 94 p 5

[Text] Official sources told EL OBSERVADOR that the government will soon undertake a "deep reorganization of the foreign service," promote the merger of the Foreign Ministry with the Foreign Trade Directorate, and emphasize the position of itinerant ambassador.

President Lacalle said in Rome that Mercosur [Common Market of the South] countries need to contact a public relations firm in Europe and the United States to make the region known abroad.

Regarding the foreign service's reform, the sources said changes are needed in order to gain "efficiency and more dynamism," adding that the present structures do not help create an effective presence for the country abroad.

The sources said the presence of a permanent ambassador is necessary in countries like Italy, Spain, or France, adding that the diplomatic coverage of countries like Poland could be made through an area ambassador who might even reside in Uruguay. That ambassador could be informed by agents in the respective countries and then schedule regular and efficient visits.

The sources said the new system will permit an important reduction of costs in residences, and the money could be used to raise the salaries of diplomats living in Montevideo, whose incomes are usually lower than when they are abroad.

President Lacalle, as well as Foreign Minister Abreu, have spoken in the past about the need to reform the

foreign service. The minister even insisted that the service's economic and commercial character should be emphasized.

Lacalle's Meeting With Poland's Walesa Reported

PY1904222694 Montevideo EL PAIS in Spanish 9 Apr 94 p 12

[Article by Enrique Etchevarren in Europe]

[Text] Rome—"Within 48 hours I will have had the opportunity of meeting the two most famous Poles, you and the pope." This was said by Uruguayan President Luis Alberto Lacalle when he met Polish President Lech Walesa.

During the morning of his last day in Warsaw and a few hours before departing for Rome, Lacalle met Walesa in Belvedere Palace, seat of the Polish Government, and told Walesa that Uruguay is the gateway to the potentially rich Common Market of the South (Mercosur).

The meeting between the two chiefs of state included such topics as the current European equilibrium and the possible development of events in the former Soviet Union's republics and the EC, in which Poland wishes to become a member.

Lacalle told the media after the meeting that he had had the opportunity to exchange ideas with Walesa, whom he termed "a fighter against communism who to a large measure allowed the political, social, and economic opening of East Europe."

Lacalle told Walesa that Uruguay is the natural gateway for entering Mercosur, and he added that although the bloc will compete in attracting capital, he was very impressed with the position of the Polish president, who considers Latin America to be the continent of the future.

The Uruguayan president invited Walesa to visit our country during the course of a scheduled Latin American trip, which still does not have a fixed date.

Asked by the media accompanying him about Poland's internal situation, Lacalle said: "It is very difficult to change a country in one day after 50 years of communism and socialism, which are the type of regimes that can do less for the happiness of the people, the promotion of investment, and the distribution of wealth."

He added that Walesa and his advisers told him that they have started to form a new class of business leaders who can make the country competitive.

Diplomatic sources told EL PAIS that even within the midst of a difficult political crisis, Poland has been pointed out as the country that has had the best recovery in East Europe.

With an economic growth of 4 percent in 1993 and an internal market of 40 million people, the Poles are receiving heavy investment from basically West European enterprises.

Moreover, the economic reform's slowness has led to an unstable political situation in which Walesa has lost his majority in Parliament and has to live with a cabinet dominated by post-communists.

The electoral support of Marx's inheritors is interpreted by Warsaw as a natural reaction by the middle class Pole in the face of the new conditions of an open economy. Basically, unemployment, which is now at 15 percent and was unknown in a planned economy, has hit the Poles hard. Moreover, no one doubts that returning to the past is impossible and that the freedom reconquered after 50 years of dependence on the former USSR is not in danger.

Anyway, the confrontation between Walesa and the post-communist government, which found an ally in the Peasants Party that has always traditionally favored Marxism, has had its first effect: to stop the rapid process of privatizations.

Correction to Roundup of Economic Reports

PY1504213294

The following correction pertains to the item headlined "Roundup of Economic Reports," published in the 15 April Latin America DAILY REPORT, page 65:

Column two, second full paragraph, only sentence make read...this period was 5,968 pesos. (Montevideo EL PAS...(providing correct currency)

Venezuala

President Caldera on Constitutional Amendments

PA1604162794 Caracas Venezolana de Television Network in Spanish 1550 GMT 15 Apr 94

[From "The News" newscast]

[Text] President Rafael Caldera has emphasized that constitutional amendments must include provisions for an impeachment referendum, that is, the possibility that people could impeach any government official, including the president, who fails to perform his duties. He made these statements at the opening of a play called "Venezuela, Political Crisis, and Constitutional Reforms." He also said that participative democracy must be the main aspect of the amendments to ensure that people will have a say in the nation's important sociopolitical issues. He also rejected all doubts that the community will not be able to understand the amendments due to the large number of articles.

[Begin Caldera recording] People will not discuss the amendments article by article; they will merely reply yes

or no, as is done in every democratic country. They will ratify or reject the amendments drafted by the National Congress. [end recording]

He also said that it is necessary to give the Venezuelan people a greater opportunity to participate and more power in view of the situation the country is currently experiencing.

Interior Minister Cited on National Security

PA1904000094 Caracas EL NACIONAL in Spanish 13 Apr 94 p d-2

[Article by Adela Leal]

[Text] Interior Minister Ramon Escovar Salom told the Permanent Secretariat of the National Council for Defense and Security [Seconasede] on 12 April the flow of illegal aliens, drug trafficking, and transculturation constitute the greatest threats to national security. Regarding the flow of illegal aliens, Escovar said the "first problem" that must be tackled to solve the illegal aliens problem is the Sectorial General Directorate of Identification and Control of Foreigners [Diex], which must be revamped.

Escovar made this statement at the opening of the First Round of Conferences on Security and Defense, organized by Seconasede, which is being held on 12, 13, and 14 April. Escovar and other prominent individuals are scheduled to participate at this meeting.

During his speech, Escovar mentioned the subject of Venezuela: its political situation and effects on security and defense. Escovar said, among other things, national security and defense have several serious and complex problems. The first problem is the need to control the undetermined number of illegal aliens in the country, a situation that creates several problems.

He conceded there are irregularities regarding the identification of foreigners. Many of these irregularities have long existed and have done the country much harm. He said emphatically Diex constitutes the first problem that must be tackled. "That is what I am doing," he said categorically.

Transculturation

In countries, such as Venezuela, weakened and troubled by foreign debt, corruption, and disorganization, it is not enough to invoke patriotic emblems and sing the national anthem when referring to national sovereignty, but it is also necessary to understand more profound aspects that affect sovereignty.

In this respect, Escovar said in addition to the above-mentioned problems the country is threatened by the drug problem, an unusual and highly dangerous one. Drugs and its geopolitical ramifications have brought a new element to the situation which, according to Escovar, has a nullifying effect on society, its health and morals. Escovar warned that is the scenario and those are the new actors.

Regarding transculturation, which seriously harms our sovereignty, he said it reaches Venezuelans via satellite dishes and the media.

Political Reforms

Concerning reforms, he said the inclusion of the referendum on impeachment must be one of the fundamental aspects to be discussed during the discussion on constitutional reform, scheduled to take place at Congress within the next few days.

"I do not think it is the only reform the country is demanding, but in political matters the referendum on impeachment is fundamental in making in-depth changes in Venezuelan society," he said.

In this regard he said the country is anxious to relegitimize the system, which is "evidently losing legitimacy." At this moment, he said, the discussion of constitutional reforms left pending by the previous Congress is being accelerated. There is a fundamental element, however, if we want to make a true change, which is to incorporate citizens into the decisionmaking process. This can only be achieved via a referendum.

Finance Adviser Explains Tax Reform Goals

94P20653A Caracas EL DIARIO DE CARACAS in Spanish 25 Mar 94 p 17

[Article by Armando J. Pernia]

[Text] Ministry of Finance adviser Jose Igancio Moreno Leon said yesterday that 3 percent of the revenues from the new taxes will be devoted to financing a new autonomous tax collection agency, with the aim of curbing the serious tax evasion problem, since with current taxes the treasury could obtain double the resources if a "new tax consciousness" is created.

Moreno Leon participated in a conversation, organized by the Central Information Office, with the economic editors of the different media outlets in order to explain the basic lines of the economic policy of President Caldera's administration.

The official pointed out that the center of the growth strategy is achieving a voluntary consensus agreement in which all sectors would agree on establishing voluntary controls on prices, the exchange rate, and business profit margins.

This agreement includes changing the system of workers' benefits to adopt the Chilean model; that is, creating pension funds administered by their own financial system. This will permit the state to pay the 350-billion-bolivar debt it owes the Pension and Retirement Fund.

"The idea is that the workers should have savings with good earnings, but without generating cash-flow problems for the companies due to the retroactive nature of the benefits," Moreno Leon explained.

According to the government's financial adviser, the administration's major effort is focused on trying to reduce the 400-billion-bolivar deficit which is expected for this year as a result of overestimating oil income by 105 billion bolivars; oil prices were calculated at $15.50 per barrel and are now very unlikely to reach $12.

This is the justification for the tax on bank transactions and the reform of the Income Tax Law. "We really are not creating new taxes, except in the case of the bank transactions, because the sales tax replaces the VAT [value-added tax]. However, by modernizing the management of spending, we will achieve that goal."

According to what Moreno Leon said, tax administration is really in a bad way, since Venezuela is among the 10 countries with the lowest collection of taxes in the world, at the level of Uganda, due to the evasion associated with corruption. Thus, he stressed that the salaries of finance officials should be increased, the laws should be "ironclad" so that there would be no room for evasion, and those who do not pay taxes should be harshly punished with prison terms, "since that attitude is comparable to a crime against the public patrimony."

He announced the creation of an Institute of Advanced Studies that will make it possible to train professional officials in tax management with a true awareness of the role they fulfill.

The proposed modification of the Tax Code states, for example, that if a taxpayer is challenged and his guilt is shown, he should serve a prison term and pay the tax, a fine, and additional interest for the delay. On this point, Moreno denounced as unheard of the decision of the National Racetrack Institute executives not to turn over to the treasury more than 3 billion bolivars resulting from a tax on bettors' winnings, "in order to continue to finance their administration which has been inefficient and possibly corrupt."

With respect to the position of COPEI [Social Christian Party] on the Special Powers Law proposed by AD [Democratic Action], on not authorizing the approval by the executive branch of the income tax reform due to the elimination of exemptions, Moreno Leon replied that meetings have been held to explain the matter to the COPEI technical experts.

"I have arguments to show that the elimination of the exemptions is just, because those who benefitted from that indiscriminate system were the large taxpayers and not the small ones. That is why we have set a minimum exoneration limit of up to 750,000 bolivars in income," Moreno Leon explained.

In sum, the government's aim is to lower inflation to 30 percent, and this would bring a reduction in the interest rates and stabilization of the exchange rate, based on a general agreement that would not be like the Mexican one, imposed by one party, but would come from the necessary consensus of everyone in the face of the crisis, one would hope.